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HOME NEWS

£35m error in ministry estimates for converting nine VC10s

By Henry Stanhope
Defence Correspondent

The estimated cost of buying nine VC10 airliners, and converting them to RAF tankers for air-to-air refuelling, soared from £44m to nearly £79m in real terms because the Ministry of Defence had hurried to secure the purchase without fully assessing the work involved.

It was a "particularly bad example of the poor cost estimating that has bedevilled so many Ministry of Defence projects", according to the ministry's own Operational Requirements Committee.

More than £12m had been added to the cost because of a change in Rolls-Royce's arrangements for overhauling engines, it was stated. That rise was in spite of the fact that the RAF agreed to accept an "overhaul life" of 2,000 hours instead of the 5,000 hours stipulated in other VC10s in its transport fleet.

The case of the VC10s whose costs took off more quickly than the aircraft is given in a report by the Comptroller and Auditor General as one of three instances in which ministry assessments proved to be inadequate.

In another important but unidentified project, described as "Equipment A", the system was due to enter service while trials were still being conducted. A study revealed that it was falling short "by substantial margins" of the reliability

and performance needed, and a military exercise showed that it could not operate in all the conditions predicted.

Its date for coming into service was deferred and there was a 27 per cent increase in real costs. A programme of improvements, at still more cost, is being examined, but any improvement in reliability will be "limited".

Execution of the third project, "Equipment B", was authorised by the ministry before development had been completed. Faults were detected within a few months of the first deliveries. Eventually the ministry recognized that it was facing an important difficulty and launched a programme to find a long-term solution, at an extra cost of £800,000. Meanwhile the contractor denied any liability for the long-term modifications.

A comparison of Ministry of Defence projects had shown, the comptroller comments, that on average the in-service date of equipment and the costs of development and production had all been significantly underestimated.

The ministry overspent its cash limits for defence procurement in 1979-80 by £11.2m. But after various supplementary estimates had been voted, the final cash limit of £8,617m for defence as a whole was underspent by £1.6m.

Appropriation Accounts (Vol. 1: Classes 1-11) 1979-80. (Stationery Office, £11.60).

BA strikers disrupt Heathrow flights

By David Nicholson-Lord
Services from Heathrow airport, London, were severely disrupted yesterday and many passengers were delayed or stranded by a 24-hour pay strike involving 20,000 British Airways ground staff. Union sources have given warning that there could be further stoppages.

All but about 15 of the airline's 380 incoming and outgoing flights, more than half the airport's daily total, were cancelled and at least 30,000 passengers had to be found seats on other flights at short notice.

The strike was made official by the Transport and General Workers' Union, representing most of the ground staff, late on Thursday. British Airways, which had originally planned to suspend only a third of its European flights, said reservations staff were working "flat out" to transfer passengers.

However, many passengers had to wait several hours for transfer flights and some could not be found a seat until today. Other airlines whose ground services are handled by British Airways staff also suffered delays, and in some cases baggage collection was up to two hours late.

Ground services of some smaller airlines were taken over by management staff and passengers were asked to take their own luggage to departure gates. Most large airlines with their own ground staff were unaffected.

The workers are objecting to an 8 per cent pay offer to operate from April 1, instead of January 1, as part of the airline's call for pay restraint. British Airways is also accused of having broken its word on shift pay and London weighting agreements.

Both Concorde flights to New York were cancelled yesterday and two services from Athens and Tel Aviv were diverted to Stansted.

Services are expected to be back to normal early today.



Photograph by David Jones

Thatcher visit: The Prime Minister examining a corn dolly made by Mr Frederick Plack at Chigwell House, a home for physically handicapped children, during a tour of Essex yesterday. She later travelled to Loughton to open Thatcher House, headquarters of the Epping Forest Conservative Party (Michael Horswell writes).

In the afternoon Mrs Margaret Thatcher went on to Harlow and Brentwood, where she was heckled by more than

400 demonstrators. Coins were thrown, narrowly missing her heavily guarded car.

At Harlow she visited the factory of Pimey Bowes, makers of business systems and mailing and paper handling equipment where she planted a daisy-resistant plant.

As her car entered the factory gates she was met with jeering by supporters of the Citizens' Band radio campaign, the Campaign for Nuclear Disarmament and Labour Party and trade union demonstrators.

Universities asked to cut home intake

By Diana Geddes
Education Correspondent

Universities are being asked by the University Grants Committee to cut their intake of home students this autumn. The committee has written to universities informing them that their individual grant allocations will be reduced in the spring. It is likely to assume that the number of home students in 1983-84 will be about the same as in the current year.

"This requires some reduction in future intake figures compared with those for 1980-81", the letter says. Because intake has increased by about 5 per cent a year over the past two years, this year's intake will have to be cut by about 6 per cent if the numbers are to be held steady.

The letter goes on to warn universities that if their intake of home students is above the committee's recommended figure, they "should not assume that they would benefit from the increased fee income".

The universities are autonomous bodies, and the committee cannot dictate how many students they should have. But the financial threat is clear: if a university takes in more than the number recommended by the committee, it will not only get no additional grant in

respect of those students, but will actually have its grant cut in proportion to the increased intake received through the additional fees.

The committee's letter appears to contradict a statement made earlier this month by Mr Mark Carlisle, Secretary of State for Education and Science, when he told a press conference that the Government's grant "should not necessarily mean a drop in the number of students admitted next autumn."

Commenting on the £30m grant announced by the Government last month, the committee's letter said while that represented a cut of 3.5 per cent, the cut for 1981-82 was likely to be nearer 5 or 6 per cent because of other factors such as the possible loss of income caused by the Government's new policy on overseas students.

Another letter went out from the committee to universities yesterday advising them that next autumn fees for overseas students next autumn were £2,500 for arts courses, £3,600 for science, and £6,000 for the clinical year of medical, dental and veterinary courses. That represents a 25 per cent increase on arts course fees and a 20 per cent increase on the others.

Intermediate examination gets qualified welcome

By Our Education Correspondent

Universities would welcome a new intermediate level examination to supplement A levels in the sixth form, provided the new examination is of a sufficiently high academic standard, the Committee of Vice-Chancellors and Principals has told the Government.

In its reply published yesterday to the Government's consultative paper on examinations for pupils aged between 16 and 18, the committee says it wants to make "very plain that only in cases where the normal minimum starting point was a grade C at O level or CSE grade 1 would the intermediate level be given credence for university entrance purposes."

For that reason, there was widespread support among uni-

versities for the Government's declaration that the new examination should be made available only to candidates who were taking at least two A level subjects. However, few universities favoured the enforcement of such a regulation, and most saw it as artificially restrictive.

Most universities also did not agree with the suggestion that the new level should be restricted to a limited range of subjects.

There was widespread support among universities for the objective of broadening the six-form curriculum. They agreed that it would be valuable if the new examination encouraged, for example, young scientists to develop foreign language skills, or arts specialists to continue studying mathematics or a science.

In brief

Cheque written on crash helmet

A cheque was handed in to Neath Magistrates' Court, West Glamorgan, yesterday at a hearing on a crash helmet written on a crash helmet and was accepted by the court's clerk. It was delivered in payment of a £15 fine imposed on a member of the Wales Motor Cycle Action Group for not wearing protective head gear.

Paul Mason, aged 21, of Neath, was fined by the magistrates at Huddersfield, West Yorkshire, six months ago. He said yesterday that the group was against the compulsory wearing of crash helmets and had used that opportunity as a protest.

Cambridge students seek talks with faculty

From John Witherow
Cambridge

The dispute within the English faculty at Cambridge University took another turn yesterday when students in the department called for an open discussion with the faculty's board over its approach to academic freedom.

A meeting of about 500 students, many of whom appeared confused and upset, voted for discussions with the board next week after they had been addressed by Professor Raymond Williams, the left-wing professor of drama, on "the intellectual issues underlying the current dispute".

The dispute, which has been brewing for years in a department that is no stranger to controversy, centres on the refusal last term by the faculty's appointments committee to accept a permanent post to Dr Colin MacCabe, an assistant lecturer in the university for five years and an exponent of a more theoretical approach to the teaching of English literature.

Some dons and students see this rejection of Dr MacCabe as a move by the traditional

and conservative members of the faculty to block the MacCabe case, and those who had adopted the theoretical approach called Structuralism.

The line has been blurred between the two methodologies but Structuralism can be described simply as a linguistic technique which studies how language itself can influence the way an author writes.

The appointments committee has twice rejected the recommendations of the board that Dr MacCabe, who has written a book on James Joyce, should be given a full-time post. Some of the scolded progressive dons have been voted off the committee or have resigned in protest.

Personalities have also entered the arena. Professor Christopher Ricks, who declined to attend yesterday's meeting, has found himself ranged against Professor Frank Kermode, the senior professor in the faculty and a firm believer in a wide range of teaching.

But some students think that while the MacCabe case is important, the personal issues and the oversimplified idea of traditionalists versus modernists is

difficulties arising from the gap between college and faculty teaching and "a faculty which is underhoused, understaffed and dogged with bureaucracy".

But although the dispute can be seen to revolve around the question of academic freedom and whether there should be a wide range of approaches to the study of English literature, many are confused by the combination of personal and theoretical issues.

One student said that all sections of opinion put forward by dons would find support among the students, as a body.

The publicity has forced the university into an open debate in the Senate next month on a motion for the suspension of the English faculty pending an inquiry into its administration and appointments policy.

That unprecedented move, however, is thought unlikely to succeed and the arguments are expected to continue. Dr MacCabe, meanwhile, is staying well out of the dispute; he is on a British Council-sponsored tour in Europe.

Professor Raymond Williams: Addressed meeting.

observing an underlying malaise in the faculty.

As the second largest department in the university, it is considered by some to be disorganised and understaffed.

Mr Shaun Woodward, a student representative on the faculty board, sees many of the

£7,000 raid foiled

Police Constable Peter Allen was beaten off by a raider's two accomplices yesterday at the Abbey National Building Society branch in Pilbeam Avenue, Harold Hill, Essex, but the gang abandoned the £7,000 they had taken at gunpoint.

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TV fee help for elderly

Pensioners in Tetney, near Grimsby, Lincolnshire, are to be given £5 each towards the cost of their next television licence because the parish council has a surplus of £480.

Hovercraft damaged

A British Rail Sealink hovercraft was damaged by a fire which broke out yesterday when leaving Dover in dense fog. The craft has been taken out of service for repairs.

More home news, page 23

David Holmes fined £25 for importing

David Holmes, aged 50, a former deputy treasurer of the Liberal Party, managing a roller disco in Camden, London, was convicted at West London Magistrates' Court yesterday of importing for an immoral purpose and fined £25.

Mr Holmes, of Eaton Terrace, Belgrave, London, denied the offence, which was said to have occurred in Old Brompton Road on October 21.

Mr Michael Howard, for the prosecution said that Mr Holmes was watched by two plainclothes police officers early in the morning as he approached three men, one in a fourway one in a BMW car and a third walking.

The third man, described by police Constables Peter Davis and Kevin Collins as having light trousers, was engaged in conversation by Mr Holmes, who was seen to put his arm round the man's waist several times before they walked away together.

Life and leisure: Average walk is between four and five miles, survey finds

Strong appeal of a pedestrian but healthy habit

By Ronald Faux

A vicar from Yorkshire, a man of stout legs and gluttonous humour, once told me that he found walking a "pedestrian occupation" but felt that it did him good. Mr Tom Price, an adducted gambler and educationist, writes in *The Big Walks*, a new book about footlogging through British hills, that only those with a powerful streak of sanity in their makeup can resist the occasional long walk.

He goes on to describe a veritable bootbender of 42 miles across the Lake District from Shap to Ravenglass.

A visit to any hill area within easy reach of a city will quickly show how popular walking has become. If there is not a bright line of bubblebars, dayglo anoraks and fortified feet stretching across the moors, there are signs of their recent passing.

Parts of the Pennine Way have grown into a swathe of mud ten feet or more wide, churned up by the unremitting boots. One favourite path up The Band in Great Langdale is gradually sinking. In a few years it will have become a viewless treach unless some warden switches the points and directs the foot pressure along a new line.

Snowdon, we hear, is gradually being worn away because so many people climb it.

The Ramblers' Association, that fine organization for those inclined to vote with their feet when it comes to recreation, reports that it has 35,000 members and is encouraged by the results of the most recent survey of the most recent surveys aimed at discovering how often and how rigorously people stretch their legs.

The general household survey of the Office of Population Census and Surveys and the National Opinion Poll's survey carried out for the Countryside Commission both showed that 20 per cent of those interviewed had been on a walk

Spanish unions reject Communists

From Richard Wigg
Madrid, Jan 23

Spain's Socialist trade union organization, the UGT, had made considerable advances in national union elections, in contrast to Communist losses, when the results were officially announced today.

The Communist-led workers' commissions which, when democratic trade union elections were first held in 1978 had a national lead of more than 10 per cent over the Socialists, have now fallen back to around 30 per cent of the delegates elected; a similar figure to that obtained by the Socialists.

According to national figures collected by the Institute of Arbitration and Conciliation, which comes under the Ministry of Labour, the Communists obtained 30.7 per cent, compared to 34.5 per cent two years earlier, while the Socialists pushed up their percentage of delegates from 21.7 per cent last time to 29.9 per cent in factory election held across the country between March and December 31 last year.

Rome protest by Nigerians

Rome, Jan 23.—About 40 Nigerian students occupied the Nigerian Embassy in Rome for an hour today in protest against their Government's failure to send them scholarship money.

Italian police, supported by armoured cars, broke down a barricaded door at the embassy and the students surrendered without violence. The police took the demonstrators to headquarters.—UPI.

Women shot by error in Italy

Rome, Jan 23.—Italian police shot and wounded three women and a girl who were mistaken for a gang of kidnappers expected to pick up a £75,000 ransom from a Swiss car dealer.

The incident, on a highway south of Rome, occurred shortly before midnight when police opened fire at the women's car after it had stopped near the ransom parcel.—Reuters.

WEST EUROPE

Bonn Justice Minister becomes Chief Burgomaster of Berlin

From Gretel Spitzer
Berlin, Jan 23

Dr Hans-Jochen Vogel, until yesterday the Federal Minister of Justice in Bonn, was elected Chief Burgomaster of Berlin by the House of Representatives today. He succeeds Herr Dietrich Stobbe who resigned last week.

Dr Vogel received 73 of the 135 possible votes, five more than needed and one more than the combined number of delegates from the SPD and FDP coalition. Some members of the opposition cast their votes for Dr Vogel.

All 12 members of the Senate suggested by Dr Vogel last night were also elected and his list of Senators came as a surprise, containing five names little known in Berlin.

Herr Frank Dahrendorf (SPD), the new Senator of the Interior, comes from Hamburg; Herr Gerhard Knebel, the Liaison Senator between the Bonn Government and the Berlin Senate, has no party affiliation and comes from the Federal Chancellery in Bonn; Herr Konrad Forner (SPD), Senator for Finance, was Parliamentary manager of the party in Bonn; Herr Reinhard Ueberhorst (SPD), Health Department, the youngest among the 12, was a self-employed planner and Frau Anke Brunn (SPD), Senator for Family, Youth and Sport, is from the North Rhine-Westphalian parliament.

Herr Herfried Ulrich (SPD) who is from the previous Senate becomes Senator for Building; Herr Gerhard Meyer (SPD) is Senator for Justice as before; Herr Olaf Sund (SPD), takes over Social Affairs and Herr Walter Rausch (FDP), is Senator for Education. Herr Gunter Gaus (SPD), still the West German envoy to East

Germany, becomes Senator for Science and Research.

The elections today went better than expected. Until the last moment the coalition was not sure whether all deputies would support the new governing Burgomaster and Senate.

The continuation of the SPD and FDP coalition was ensured by the vote for the time being. New elections will, however, take place, possibly as early as June 17, the national holiday commemorating the East German uprising in 1953.

Before the SPD and FDP overcame their reluctance to have new elections ahead of time, the CDU started procedures on a referendum to enforce them; so did two citizens independently. The first days of collecting the necessary signatures, the initial step, left no doubt that the necessary 50,000 signatures will be obtained.

Dr Vogel: surprise over his choice of Senators

Court asked if TV programme led to death

From Charles Hargrove
Paris, Jan 23

Early next month the Higher Court of Amiens will decide whether a programme on television and in particular its presenter can be held responsible for the suicide of a viewer.

Pierre Bellemare, a television entertainer, has been accused of the unintentional manslaughter of Colonel René Comte, a retired and much decorated war veteran, on the grounds that a broadcast in 1973 led the colonel to commit suicide.

The action has been brought by Colonel Comte's widow after seven years of procedural wrangling, including a decision that there were no grounds for prosecution and the rejection of two appeals before the Cour de Cassation—the highest appeal tribunal in France.

However, Mme Comte's persistence led to the appointment of three investigating magistrates, and the transfer of the case to the Amiens court.

Bellemare, who is a popular entertainer, devoted one of his programmes to a conflict between Colonel Comte and a neighbouring farmer. With his wife, Colonel Comte had gone to live in a village of the Somme. Their neighbour, M. Michel Levert, decided to set up an industrial pig farm.

Taken to court, the farmer was ordered to pay 15,000 francs (about £1,500) damages to the colonel, who had also insisted on the demolition of the pig farm.

The farmer then appealed to M. Bellemare for help. The entertainer then devoted his programme to the affair and in the course of it, the mayor of the village used words which the colonel took to mean an imputation of cowardice for refusing to take part.

A few days later the colonel shot himself in the head. He left a letter to his lawyer stating: "Thanks to M. Noiret (the mayor) and the disgusting programme of Bellemare, my former commanders and comrades know that I am a coward. If, in a moment of extreme weariness, I were to take my life, I ask you to let it be known that Messieurs Bellemare and the mayor are responsible."

On Wednesday, the prosecution asked the court to pronounce M. Bellemare's guilt on grounds of "imprudence and negligence" for not considering the feelings and pride of a person discussed in the programme.

Defence counsel, speaking for the mayor, who is also accused by the prosecution, said that the slang word *dégoutant* (defiling) was being used in a harmless and colloquial way and was "nothing of an insult".

Terrorist suspect caught by West German police

Hamburg, Jan 23.—Herr Peter Boock, one of West Germany's most wanted terrorist suspects, has been arrested, the police said today. He also said that Herr Boock, who is 29, and said to be a member of the Baader-Meinhof group, offered no resistance when he was picked up last night.

He and a woman companion were being driven in a vehicle when police moved in. Herr Boock was wanted on suspicion of taking part in some of the violence of the Red Army faction, the official title of the band, named after its dead leader, Gudrun Gurr, and Ullrike Meinhof.

Police said they wanted to question him about the murder, in 1977, of Herr Jürgen

Ponto, a banker, and Herr Hanns Martin Schleyer, an industrialist, and about a plot to launch rockets against the headquarters of the West German Federal prosecutor in the same year.

Herr Boock was arrested in Yugoslavia in 1978 with three other suspected German terrorists. They were taken to Yugoslavia and refused to extradite them to fly to South Yemen.

Yugoslavia said it would extradite them only in exchange for Croats wanted in Yugoslavia. But German courts ruled against the extradition of the Croats. Police said that Herr Boock has been living in Hamburg under assumed names and with forged identity papers since the summer.—UPI.

Mine director found guilty of manslaughter

From Our Own Correspondent
Paris, Jan 23

It has taken the law six years to establish who was to blame for a pit disaster at Lieven in the Pas de Calais in which 42 miners were killed by an explosion in December, 1974. The Bethune court, which tried the case last autumn, gave itself two months to reach a verdict.

It has found the local director of the mine, M. Augustin Couquide, guilty of manslaughter and fined him 10,000 francs (£900). The Nord and Pas de Calais courts were also declared to be civilly responsible for the explosion.

But the court dismissed a case against M. André-Claude Lacoste, the chief engineer of the Mining Bureau, and M. Max Hequet, the general director of the mines, on the grounds that they were not responsible for the explosion.

The public prosecutor last November, in his summing up, said that there had been a breach of the rules and conditions at the pit which made M. Couquide penally responsible. He had demanded of the court a "moral sanction which would be more punitive than the deprivation of freedom."

French President soothes Italian anxieties

From John Earle
Rome, Jan 23

President Giscard d'Estaing of France today soothed Italian fears over the prospect of being excluded from high level Western consultations. He said in a brief address to the press during a two-day visit here that he foresaw an important international meeting beyond that of the seven most industrialized nations, which Italy will attend, in Canada next July.

The French President surveyed the international and European scenes and discussed specific topics such as collaboration against terrorism with Signor Arnaldo Forlani, the Italian Prime Minister, last night and this morning, and with President Sandro Pertini at lunch. His last engagement at the end of the day was an audience with the Pope.

Discussion on the Mediterranean included Libya, over whose projected union with Chad the Italian Government has not shown the same degree

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OVERSEAS

Reagan team prepares economic package to cut public spending

From Patrick Brogan, Washington, Jan 23

President Reagan and his economic advisers are working on a package of economic measures that will be presented to the nation and Congress shortly. Mr Reagan hopes to be able to announce a 10 per cent cut in personal income tax and immediate and very large cuts in federal spending.

Three senior officials who have Cabinet rank but who are not members of that body—Mr David Stockman, the Director of the Office of Management and Budget, Mr James A. Baker, the Secretary of the Treasury, and Mr William Casey, the Director of the Central Intelligence Agency—will be confirmed by the Senate next week.

As the new officials settle into their jobs, they are looking for ways to save money quickly—and ways to stop the growth of the budget.

Mr Reagan had breakfast this morning with the Republican congressional leaders who will be most closely involved in the exercise. Mr Jim Jones, a Democratic congressman from Oklahoma who saw the President yesterday, said afterwards that Mr Reagan would go on television to announce his package, but was having difficulty in putting it together.

That was rather a statement of the obvious. In an interim measure announced yesterday, Mr Reagan ordered a 15 per cent reduction in travel by federal employees and a 5 per cent reduction in the sums spent on outside consultancy firms. This should mean a saving of \$500m (£208m) in the first year.

All the members of the Cabinet have been confirmed by the Senate except for Mr Ray Donovan, the nominated Secretary of Labour.

The new Secretaries have all now been sworn in and have taken up their duties. They

will now be able to choose their deputies and complete the formation of the new Government. Mr Alexander Haig, the Secretary of State, has already run into trouble with the right-wing in Congress.

Senator Jesse Helms, the leading conservative Republican, who voted against the confirmation of Mr Caspar Weinberger, Secretary of Defence, is worried that Mr Haig is not choosing sufficiently hawkish deputies.

Among the appointments that are expected to be announced soon are Mr Lawrence Eagleburger, as Assistant Secretary for European Affairs. He is a diplomat who worked closely with Dr Henry Kissinger and is therefore an object of Senator Helms's suspicions.

Mr Helms is also opposed to the appointment of Mr Frank Carlucci to be Deputy Secretary of Defence. Mr Carlucci is a distinguished diplomat who has served himself as Ambassador to Portugal during the upheavals there by dissuading Dr Kissinger from intervening.

When Mr Haig arrived at the State Department yesterday afternoon, he told his staff that the President had clearly enunciated the doctrine that the foreign policy of the nation would be conducted by the Secretary of State, not the National Security Adviser. That alone disclaimed any ambition to play so prominent a role as Mr Zbigniew Brzezinski or Dr Kissinger, when they held the post.

Judge nominated by Mr Reagan today, Mr Justice William Clark, a judge of the California Supreme Court, as Deputy Secretary of State, and Mr Murray Weidenbaum, a former Nixon Administration official, to be Chairman of the Council of Economic Advisers.

Mr Clark, aged 49, was Mr Reagan's Chief of Staff during his first term as Governor of California—UPT.

Soviet grain harvest falls below target

From Michael Binyon, Moscow, Jan 23

The Russians today officially announced that the total grain harvest for 1980 was 183.2m tonnes, some 45.8m tonnes below the target set for last year, but a little better than preliminary estimates suggested in the autumn.

The total is 10m tonnes more than the harvest in 1979, but both years are disappointing and will make it doubly difficult for the Russians to build up their herds and increase the output of meat. They have had to import large quantities of feed grain to avoid the slaughter of livestock.

The American grain embargo has meant a search for supplies elsewhere, often at higher market prices. The figures were given in a statistical report of the Soviet economy. Last year's harvest, which also showed that overall agricultural output fell by 3 per cent compared with 1979. Poor weather—too wet in the west of the country and too dry in the east—took its toll for the lower output of meat and milk, and for the failure of sugar beet production to achieve its target.

The only bright spot was the record cotton crop of 9.9m tonnes.

Industrial output rose by 3.6 per cent, but this was still less than the figure planned for 1980, the final year of the previous five-year plan. Oil output fell by 603m tonnes, slightly below the target of 606m tonnes; though the Soviet Union remains the world's largest oil producer. The disappointing figure makes it doubtful whether the Russians can achieve their ambitious target of 620m to 645m tonnes of crude oil and gas condensate in 1985.

The production of natural gas, which has become a vital hard currency earner, was a 35m cubic metres and exceeded the planned total. But coal, at 716m tonnes, was below plan. The Russians are the main oil suppliers for Eastern Europe and are now trying to switch industry from oil back to coal, with an ambitious nuclear power programme.

The full details of the present five-year plan will be revealed during the Communist Party congress next month. Meanwhile there is, ironically, some concern that agriculture this year may suffer because the winter has not been cold enough.

This month has been exceptionally mild throughout the country, with temperatures hovering around zero and melting much of the snow. Western experts say there is still enough snow to protect the winter crops. But in Georgia and Armenia the temperature has risen to around 17°C, some 15°C warmer than usual. Trees and flowers are in blossom already and there are fears that the fruit crop will be damaged if this is followed by frost.

Commodities, page 20

RESTRICTED AREA
DO NOT ENTER

Former President Jimmy Carter tripping over a curb during a jogging session yesterday in Plains, Georgia. He quickly recovered and resumed his exercising.

Mr Peres in favour of 'Jordanian option'

By David Spanier, Diplomatic Correspondent

Mr Shimon Peres, leader of the Israeli Labour Party, strongly recommended the "Jordanian option" as the best chance of making progress in the Middle East, in talks with the Palestinians and opposition leaders in London yesterday.

While not opposing the European diplomatic initiative on the Middle East, he made it clear that he considers it to be completely mistaken in trying to associate the Palestinian Liberation Organization (PLO) in any future talks.

As the man most likely to become Prime Minister in the forthcoming Israeli election, according to the latest opinion polls, Mr Peres was heard with particular attention in his talks with Lord Carrington at the Foreign Office yesterday. He was later a visitor at 10 Downing Street when Mrs Thatcher discussed the prospects for peace in the Middle East. He also saw Mr Michael Paret, leader of the Labour Party, and Mr Denis Healey, deputy leader of the Labour Party, at the House of Commons.

Explaining the importance of bringing Jordan into the peace process, Mr Peres said that "it might be done in a number of different ways. One was to build on the two countries acceptance of United Nations resolutions on the Middle East, which represented an opening position for negotiations. There was what Dr Kissinger had termed a constructive ambiguity here."

Another approach, he suggested, would be to encourage or permit the Palestinians in the West Bank to start a meaningful negotiation. And thirdly, Mr Peres said he did not exclude the possibility of

starting talks on the basis of economic cooperation, which was a very pressing need for both countries. He was particularly struck with the new importance of the port of Aqaba in the region.

Questioned further, Mr Peres said that he believed that King Hussein was in a position to negotiate with Israel, and that public declarations to the contrary should not be always taken at face value. Each side, he said, should enter such negotiations without prior conditions. But Mr Peres completely excluded the idea of the PLO coming in and said that there was no chance whatever of negotiations on that basis.

Mr Peres said that the PLO was a "broken structure" consisting of five different military organizations reflecting differences within the Arab world, and had become a prisoner of its own convention, totally unable to take decisions in a meaningful way.

"I am not against the European initiative but it went in the wrong direction," he said.

So far as the Israeli settlements policy was concerned, Mr Peres indicated that a future Labour Government would not permit settlements to be built in densely populated Arab areas. But he was not suggesting dismantling existing settlements. All this, he clearly implied, would be up to the Jordanians to raise if they wanted to in future negotiations.

"I believe there is a good season for peace in the Middle East," Mr Peres said "because the parties are becoming worried at the winds of disintegration." He was optimistic, he concluded, and grateful to have been given a fair hearing in London.

Russian troops join in Polish exercises

From Our Own Correspondent, Moscow, Jan 23

As Soviet concern rises again over the crisis in Poland, the Russians revealed today that Soviet Army units recently held joint field exercises with Polish infantry in Poland.

Red Star, the Army newspaper, in a report today under a front page picture of troops and tanks in the snow, said several dozen vehicles took part in the exercises, as well as artillery batteries. The paper gave no information when or where the exercises were held, but they appeared to be on a relatively small scale.

The report said the exercises were held in the spirit of "unbreakable military cooperation" and the achievements of socialism in a single monolithic formation.

Meanwhile, as a new wave of strikes engulfed Poland, the Soviet press has repeated warnings that the independent trade union Solidarity is being used by anti-communist forces to undermine the socialist system.

The paper said KOR's leader, looking for support to such figures as Herr Franz Josef Strauss, the West German Opposition leader, and Zbigniew Brzezinski, the former White House security adviser.

The report said the union was trying to complicate matters in Poland, had no interest in restoring things to normal or raising workers' living standards, and was controlled by forces hostile to socialism.

Another report today from Warsaw quoted Polish veterans who fought alongside the Russians in the Second World War calling for the normalisation of the political and economic situation in Poland at a rally. Tass said they condemned the subversive activity of an anti-socialist element which they said was directed against the principles of social justice in the country.

As the labour crisis drags on, the Russians have continued to issue veiled warnings to the Polish party leadership to move against Solidarity, the private farmers and Polish dissidents.

In a long report in the influential weekly *Literaturnaya Gazeta* on Wednesday a commentator savagely attacked the KOR Social Self-Defence Committee.

The paper said KOR's leader looked for support to such figures as Herr Franz Josef Strauss, the West German Opposition leader, and Zbigniew Brzezinski, the former White House security adviser.

S Africa calls on UN 'to show impartiality'

From Nicholas Ashford, Johannesburg, Jan 23

Mr Marais Viljoen, the State President, indicated today that South Africa would expect agreement on broad constitutional principles as well as guarantees about United Nations impartiality before going ahead with implementing the United Nations' settlement plan for Namibia (South-West Africa).

In his address at the official opening of the South African Parliament, he stated that a "practical and visible demonstration of the United Nations' impartiality" was a prerequisite to the holding of free and fair elections in the territory.

But the internal political parties would also have to be given "Solid guarantees" regarding freedom of speech, freedom to form political parties, an independent judiciary, a free economy and respect for property, he said.

The State President's remarks, coming just over a week after the collapse of the Geneva conference on Namibia, have reinforced the view that moves to reach an internationally acceptable solution for the Territory are now firmly deadlocked.

In his speech Mr Viljoen emphasised the need for South Africa to push ahead with its plan to establish a "constellation" of southern African states to counter the "grave threats" to the sub-continent posed by Russia, Cuba and East Germany.

Referring to the new tri-racial President's Council, which is due to start sitting at the beginning of February, he said that for the first time in the history of South Africa a constitutional body had been created in which people of different races could deliberate together on the future of the country.

Kampuchea food aid suspended

Bangkok, Jan 23.—Food distribution to Kampuchea by the so-called land bridge on the Thai border will be suspended after today because food supplies within Kampuchea are now adequate, a spokesman for the United Nations Children's Fund (Unicef) said here.

He added that Unicef food aid shipped directly to Phnom Penh through the port of Kompong Som had also been suspended.—Reuter.

£5,200 paid for letter about Frank Sinatra

From Michael Leaman, New York, Jan 23

A letter from President Reagan, in which he defends his friendship with Frank Sinatra, the singer, was sold here last night for \$12,500 (about £5,200). The auctioneer, Charles Hamilton Galleries, said it was the highest price ever paid for a letter from a president.

It is especially piquant because Mr Reagan has been criticized for his close ties with the singer, who has been under suspicion for years of having friends in organized crime. Mr Reagan's letter was a reply to a member of the public who had written questioning his relationship with Mr Sinatra.

"I'm aware of the incidents,

highly-publicized quarrels with photographers, night club scrapes etc, and admit it is a lifestyle I neither emulate nor approve," he wrote, in the two-page handwritten letter.

"However, I know of no one who has done more in the field of charity than Frank Sinatra. Mr Sinatra, who organized the variety gala on the eve of Mr Reagan's inauguration as President this week, was barred several years ago from operating casinos in Nevada because of alleged links with organized crime. He is applying to have that ban lifted."

The successful bidder for the Reagan letter was Mr Daniel Wolf, a New York collector of rare autographs.

Iranians say they will reveal all about former hostages they think were spies

From Tony Allaway, Tehran, Jan 23

The militants who held the 52 American hostages for more than 14 months promised tonight to reveal everything about the crisis and to talk about the continuation of the war with America.

The announcement, on an evening radio bulletin, caused speculation in diplomatic circles that the militants' statement might include a reply to allegations by former President Carter of mistreatment of the hostages.

The radio said the militants would also discuss their motives and reveal which Americans they actually believed to have been spies.

In what looks like an escalation of the growing internal storm over the hostages issue the militants also threatened to deal with "the clash of the students with the various political groups and with various types of opposition during the movement."

To the concern of Swiss diplomats who handle American affairs in Iran the radio talked of the militants' decision to hand the United States embassy to the Maragheh Foundation as "a place of residence for the cripples of the revolution and the war."

The students' statement about the handover of the compound appeared to conflict with a statement earlier this week by Mr Bezar Nabavi who was Iran's chief hostage negotiator, that the United States could eventually regain its property. Sources said that particularly towards the end of the hostages' negotiations, there were clear signs of internal struggles within the ruling structure that helped complicate the talks.

"One should not rule out the downfall of the Government as a result of this," one diplomat said. He has closely followed the hostage issue.

Earlier at the weekly prayer



Sergeant Donald Hohman, a former hostage, with his wife.

ceremony here, a Tehran politician criticized the United States for alleging that the hostages were abused. He also vehemently rejected charges on the ABC network yesterday, that while meeting Iranian leaders, he had modified the American position on the hostages' release in relation to the creation of a United Nations investigating committee.

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—Agence France-Presse.

Waldheim reply: Dr. Kurt Waldheim, the United Nations Secretary-General, today denied a television report that he had panicked during a trip to Iran to seek the release of the hostages.

He also vehemently rejected charges on the ABC network yesterday, that while meeting Iranian leaders, he had modified the American position on the hostages' release in relation to the creation of a United Nations investigating committee.

—Agence France-Presse.

Blood vengeance fear over shaikh's murder

From Moshe Briliant, Tel Aviv, Jan 23

Three brothers held in connection with the murder of Shaikh Hamed Abu Rabia, a Bedu Knesset member, are the sons of Shaikh Jaber Muadi, a Druse, who took the parliamentary vacancy, police in Jerusalem said today.

Commander Yehoshua Carby, head of the investigation branch, told a press conference that the brothers were Dahesh, Seif and Haseel Muadi of Yirka village in Galilee. He said two of the brothers, a lieutenant in the Israel defence forces and a clerk, were detained in a military leap at a roadblock outside Tel Aviv a few hours after the shaikh was shot dead outside his Jerusalem hotel on January 12. The third brother was a prison warder.

Mr Carby said a court order had been obtained banning identification of the suspects because of the danger of blood vengeance, a Bedu tradition, but the court was asked to lift the ban today. After passions had cooled down the tribesmen were persuaded to rely on the murderers being brought to justice.

However Shaikh Jaber was less optimistic. A visitor to his home in Yirka overheard him shouting to someone through the telephone: "Do something or there will be blood vengeance."

Threat to character of Catholic worship

The Vatican's teaching on sex, from divorce to birth control, from contraception to celibacy for priests, is confusing. It threatens the very character of worship in the Catholic church, says Peter Nichols in tomorrow's *Sunday Times*.

In a second extract from his new book *The Pope's Divisions*, he reports on two years' travel among cardinals and bishops, priests and lay people, from Liverpool to Lima. "Opinion is changing," he concludes. "People will no longer accept the church's disciplines on sexual teaching. And what use is there in pretending that this does not happen."

Under a Canadian Government resolution now before Parliament, Westminster will be asked to legislate a Bill of Rights and constitutional amending formula for Canada, and then to surrender control over the 1967 British North America Act, still this country's basic constitution.

Second invitation to British MPs from Afghanistan

Delhi, Jan 23.—Afghan insurgents today invited the three British Labour MPs who recently visited Afghanistan in invitation of the Soviet-backed Government in Kabul, to return to the country.

Mr Said Muhammad Mujahid, secretary-general of the Delhi-based Afghanistan Liberation Organisation, told reporters that the invitations had been sent today to the MPs—Mr Ronald Brown, Mr Alan Roberts and Mr Robert Litherland.

After their controversial five-day trip, the MPs said that they had seen little evidence of any Soviet presence in Afghanistan.

He introduced journalists to two former Afghan Government officials who had recently defected and are now living in Delhi.

One of the officials, a former doctor in the Afghan Health Ministry, said that 48 party activists and government officials as well as Soviet personnel had been killed by insurgents north of Kabul two weeks ago when their convoy was ambushed.—Reuter.

Mr Trudeau takes hard line with Westminster

From John Best, Ottawa, Jan 23

British MPs should not "question the wisdom" of the Canadian Parliament when Ottawa asked Westminster to approve the new Canadian constitution, Mr Pierre Trudeau, the Prime Minister, said last night.

Mr Trudeau rejected a suggestion that he or one of his Cabinet ministers should go to Britain to present the Federal Government's case in the controversy over the proposed constitutional reforms.

"It seems to me, as a Canadian head of Government, the whole point of decolonization is to establish that we really should not have to convince the British Government," he said.

Under a Canadian Government resolution now before Parliament, Westminster will be asked to legislate a Bill of Rights and constitutional amending formula for Canada, and then to surrender control over the 1967 British North America Act, still this country's basic constitution.

New nation launches one of the most ambitious programmes undertaken by an African state

Salisbury, Jan 23

Tens of thousands of Zimbabwean children streamed to secondary school enrolment centres across the country this week to sign on for one of the most ambitious education programmes undertaken by an emergent African state.

The programme has entailed extensive recruitment of teachers in Britain and Australia, the start of an intensive teacher training programme at home and quadrupling the intake of first-year pupils at secondary schools.

By the time that all classes settle down at their desks on February 2 it is expected that the school population will have increased from 850,000 at independence to 1,300,000.

The driving force behind the project is Mr Dzingirai Murumbuka, the Minister of Education and Culture. In a recent interview Mr Murumbuka said: "The high standard of education in Zimbabwe must be maintained but privilege must be done away with. Our aim is not to bring the mountain down but to climb it."

While critics of the scheme are few they include at least one prominent educationist and they believe that Mr Murumbuka is trying to climb Everest in a day. They point to the shortage of qualified teachers and 15,500 with less than full qualifications, bolstered by returning Zimbabweans and

a vast pupil growth in so short a time.

The main objective of the programme is to provide a secondary school place for every pupil qualifying for promotion from primary school. That means increasing the intake at the first year of secondary school from 20,000 to more than 80,000.

Under the pre-independence regimes, secondary school intake was dependent on merit and limited by a quota of places, with white pupils generally enjoying the benefit of low pupil-teacher ratios and blacks fighting it out for the relatively few secondary school places available.

To accommodate the extra first-form pupils this year, Mr Murumbuka has proposed schools of "hot seat" learning, in which every available classroom desk will be utilized in shifts. Pupils finishing lessons at lunchtime will be replaced by new classes and fresh teachers in the afternoon. The shifts will be alternated each week and as there are not enough places to go round for the fourfold increase, primary schools are to be used for secondary education in the afternoon.

The teaching corps that will tackle this daunting task comprises the existing establishment of 3,000 qualified teachers and 15,500 with less than full qualifications, bolstered by returning Zimbabweans and

teachers recruited in Britain and Australia.

It is hoped that the campaign will attract 500 Australian and 200 British teachers this year. The first 72 Australians, some with families, arrived with assistance from the Canberra Government last week and a few Britons have already settled in.

The key element in whether the education drive is broadly successful is the Zimbabwe Integrated Education Programme, an emergency programme to produce the majority of teachers needed to sustain the education programme.

Next month hundreds of prospective teachers will start a 16-week training course before being sent out to rural areas where while teaching at primary schools they will continue to study through correspondence. At the end of the four-year course the student teachers will have spent 18 months studying and 30 months studying-teaching.

Primary education will be free from September, a move that is expected to increase the number of school children in the country to about two million. While there is no prospect yet of free secondary schooling, fees have been reduced from £24 to £12 per term, although the minimum wage of £20 per month is still likely to restrict the number of parents able to put their children through high school.

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Dr Runcie asks for press restraint

The Archbishop of Canterbury, Dr Robert Runcie, yesterday cautioned against publicity over the four Britons held in Iran. "Indignant headlines could polarize the situation and we want to avoid that happening," he told a group of editors in London today.

In contrast to the alleged ill-treatment of the 52 Americans, there was evidence that the Britons were being well-treated, he said.

"The release of the Americans is very fresh in our minds.

In the general excitement and rejoicing, however, I hope that the difference in the case of the American hostages and our own Anglican detainees will not be forgotten."

He had never been suggested that the Britons were hostages so there was no question of his envoy, Mr Terry Waite, who visited them at Christmas, discussing the terms of any deal.

"It was a religious and humanitarian mission and it succeeded on that basis in drawing from the Iranian autho-

rities the assurance that the charges against the Anglicans were baseless and that they would be released soon. "I am still hopeful that these promises will be honoured."

Dr Runcie told London editors of regional newspapers at the annual luncheon of the Newspaper Conference that the media had shown "extraordinary restraint" over the situation.

Later Dr Runcie said he was still waiting to hear whether Mr Waite would be granted a new visa to visit Iran again.

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Saturday Review

Lady in the dark

by Sheridan Morley

She may not always have been the best, but she was certainly the brightest. Others of her generation may have been better singers, better dancers, better actresses; Gertrude Lawrence was a better star. For her the Gershwins wrote *Oh Kay!* Noel Coward wrote *Private Lives* and *Tonight at 8.30*; for her, Richard Rodgers and Oscar Hammerstein wrote *The King and I*.

It was Gertrude Lawrence who first sang Coward's "Somebody I'll Find You", she who made hits out of the Gershwins' "Someone to Watch Over Me" and "Do, Do, Do", she who was for Moss Hart and Kurt Weill their *Lady in the Dark*, she who sang Cole Porter's score for *Nymph Errant*. For a brief and already almost forgotten time she was the first lady of the musical comedy stage on Broadway and in the West End.

She was a bright, particular star who rose above the limitations and variations of an often eccentric talent and came to personify the brittle glamour of a post First World War generation which was hiding its disillusion under an often cynical smile. When she died, suddenly and unexpectedly of cancer in September, 1952, at the age of only 54, they dimmed all the theatre lights not only along Broadway, where she had until a few days earlier been playing Mrs Anna in *The King and I* but also all through the West End, where she had made only one postwar appearance, in a play by Daphne du Maurier.

It was a unique tribute to an actress who had started out in 1911 at Olympia as one of 150 child choristers in *The Miracle* and who was inclined to view her entire career from then onwards as something of a miracle in itself.

But by the time those theatre lights were switched back up again, most traces of Gertrude Lawrence had disappeared; she died before television had begun to preserve its artists on tape, before radio shows were regularly recorded, and though she made half a dozen films (among them *Rembrandt* and *The Glass Menagerie*) her appearances in them are mostly undistinguished and give no clear impression of a radiance which could and did hold theatre audiences spellbound.

The rag-to-riches life of Gertrude Lawrence often sounds like the script for a singularly appalling Hollywood backstage musical (and once indeed it did become just that, a film called *Star!* for which Miss Lawrence was impersonated by Julie Andrews, a lady bearing about as much resemblance to her as to Groucho Marx); an active sex life led her through two marriages and a number of affairs with the likes of Douglas Fairbanks Jr and Captain Philip Astley, and her lifelong inability to refrain from spending money like an entire fleet of drunken sailors led her at the height of her fame into a prolonged and, for its time, highly scandalous series of bankruptcy hearings.

Not always the most brilliant selector of scripts ("Nothing that can't be fixed" was her reaction to the first offer of *Private Lives*), the only thing to be fixed will be your performance", Gertrude Lawrence yet managed to attract the most distinguished composers, lyricists, lovers, playwrights, directors and managers of her day. Her quality was to me unique and magic imperishable: "and no one, living or dead, has ever contributed quite what she contributed to my work".

Yet the Noel and Gertrude partnership existed only for a total of twelve months on stage. They played *Private Lives* for three months in London and three in New York in 1930, and six years later *Tonight at 8.30* for the same period; seasons, to have played longer would, in their view, have been boring if not for the audiences then

certainly for themselves. All the test is memory, aided perhaps by a few scratchy gramophone recordings. The potency of cheap music has proved far stronger than even they could ever have suspected.

Soon after *Tonight at 8.30* (a sequence of nine one-act plays performed in alternating sets of three) Gertrude settled in America, married for the second time and became Mrs Richard Aldrich, wife of a Broadway producer who also ran a summer theatre up on Cape Cod where they made their home.

During the war she returned briefly to Britain for troop concerts but by now, thanks largely to a succession of New York triumphs which had started in the 1920s with *Bea Lillie* in *Charles Revue*, continued with the Cowards into the 1930s and climaxed in 1942 with a showstopping appearance opposite a young Danny Kaye in *Lady in the Dark*, she was forever a Broadway baby.

After the war her career, like Coward's in England, went into a steep and sudden decline: figures who had been so flamboyantly a part of the 1930s seemed somehow lost in a post-war world which had moved on to other idols. Gertrude briefly tried her luck in Hollywood with the film of Tennessee Williams's *The Glass Menagerie*, one for which neither critics nor public much cared at the time, and turned down the chance of the Bette Davis role in *All About Eve* on the ground that it reflected unfavourably on the life of stage actresses.

Gertrude did however have one inestimable asset: both her marriage and her career may have been in trouble, but she still had Fanny Holtzmann. Miss Holtzmann (who died in 1980) was a remarkably efficient New York lawyer who also acted as Gertrude's manager, friend, agent, adviser and mother-figure, and Fanny it was who, early in 1950, had to think what to do next about Gertrude Lawrence.

This time it would be no good settling for another safe Shaw or Coward revival, no good just picking up a light comedy and hoping to run away with it. Gertrude needed something more, something very starry and above all something that she could make first and uniquely her own thing. It had, in other words, to be a premiere, and preferably a musical premiere.

The choice was a difficult one: it had been nine years since *Lady in the Dark*, and in that time a lot had happened to the Broadway musical. New producers, new composers, new dance directors had come along and none of them were thinking much about Gertrude Lawrence. Mary Martin and Ethel Merman were the big musical stars of the moment; Gertrude was associated with pre-war smaller-scale revues and toward comedies. She was not, in short, something anything like first pick of the 1950 musicals.

Undaunted as ever, and at her best when faced by this sort of challenge, Fanny decided that if musicals were not coming to her, then she would simply have to be created for Gertrude and expressly commissioned for her. This fairly revolutionary idea (few actresses had ever actually commissioned a musical) would, assuming it could be made to work, have certain distinct advantages: Gertrude had not just been another hired hand, but in at the very wrapping of the package and therefore artistically and financially very much more strongly placed. It would be, whoever wrote it and whoever directed it, her musical.

By the spring of 1950 Fanny had all this worked out; what she still lacked was any idea at all as to what the show might be. Then, as it so proved, a book arrived on her desk. It was Margaret Landon's 1944 best-seller *Anna and the King of Siam*, and the William Morris office who represented the author had vague hopes that Gertrude might fancy doing it as a play. As a film, of course, it had already been done a couple of years earlier with Irene Dunne playing Anna and Rex Harrison the King.

Fanny read it gave it to Gertrude, and the two of them immediately reached the same conclusion: here was not a play but a musical. The only trouble was that somebody still had to



write it as such. Gertrude suggested Cole Porter, who seemed less than enthusiastic. Fanny Holtzmann's biographer, Edward Berkman, remembers: "Fanny hurried down Madison Avenue, the names of composer-lyricists teams whirling through her mind. Crossing 63rd Street, she found herself abreast of Dorothy Hammerstein who was hastening in the same direction. Dorothy waved a gloved hand: 'Can't talk now, Fanny. On my way to Sam's. He's got a sour pickle for Ockie'.

Ockie, but of course. What greater master of mellow sentiment and wry humour than Oscar Hammerstein II? And who could pour out melodies as tender as those of his partner, Richard Rodgers, with whom he had already written *Oklahoma!*, *Carousel* and *South Pacific*?

Anna and the King of Siam was hastily despatched to Rodgers and Hammerstein for an opinion. Hammerstein was immediately keen to tackle this real-life saga of the British widow who, in the 1860s, went out to Siam to tutor King Mongkut's children and ended up tutoring him too; indeed so keen was he on the whole idea of the foreign governess who eventually wins the children and the heart of a crusty despot that ten years later he wrote the whole thing all over again and called it *The Sound of Music*.

Rodgers, however, was considerably less enthusiastic at first: "We had never before written a musical specifically with one actor or actress in mind, and we were concerned that such an arrangement might not give us the freedom to write what we wanted the way we wanted. What also bothered us was that while we both admired Gertrude tremendously, we felt that her vocal range was minimal and that she had never been able to overcome an unfortunate tendency to sing flat."

But Fanny had moved fast and buzzed up the musical rights, which meant that if anybody wanted to set *Anna and the King of Siam* to music then they had to do it for Gertrude. It was as simple as that, and Fanny had gambled on it eventually proving irresistible even on those conditions to

Rodgers and Hammerstein, which indeed it did. They screened the film a couple of times, and as Rodgers later wrote:

"That did it. It was obvious that the story of an English governess who travels to Siam to become a teacher to the children of a barbaric monarch had the makings of a beautiful musical play. There was the contrast between Eastern and Western cultures; there was the imagination of the attraction between teacher and king; there was the tragic sub-plot of the doomed love between the king's Burmese wife and the Burmese emissary; there was the warmth of the relationship between Anna and her royal pupils; there was the theme of democratic teachings triumphing over autocratic rule; and lastly, there were the added features of Oriental pomp and atmosphere. Here was a project Oscar and I could really believe in, and we modified Fanny that we were ready to go to work."

The King and I was now under way; the Holtzmann office announced the project as a vehicle for Gertrude to open on Broadway early in 1951, which gave Rodgers and Hammerstein time to write and Gertrude herself the unknown luxury of a year off with no need to worry about what was going to happen at the end of it. From several vaguely unsatisfactory postwar months in London and Hollywood her career had taken another of its sudden lurches upwards, to the point where she was able to announce that Rodgers and Hammerstein were writing her a musical. Ethel Merman and Mary Martin had never been so lucky.

That summer of 1950 Gertrude stayed on the Cape, playing housewife and doing a couple of weeks in what was to prove her last port there. Beatrice in the comedy *Travellers' Joy*. She also spent a good deal of time that year playing weekend hostess to the Aldrich New England clan and the various actors who worked the theatre, knitting mittens for Bernard Shaw in the forlorn hope he would give her the Broadway rights to *Doctor's Dilemma* and organizing picnics for such special guests as Bea Lillie and Robert Fleming. She then took part in a cabaret at one of her husband's Harvard College reunions and even learnt to

cook, so determined was she now to prove to the Aldrich family that their boy had, not after all made too disastrous a marriage.

Back in New York that autumn, she made a few personal appearances to help *The Glass Menagerie* on its way, but her time was now increasingly being taken up with costume fittings and pre-rehearsal preparations for *The King and I*. With the start of the Korean War, Aldrich had been called back into Naval Intelligence and sent to Washington, so she was now alone again in New York and available for constant casting and other discussions on the new show.

The first idea for the King had been Rex Harrison, who had already played the part on film; but (this was six years before *My Fair Lady*) he was unenthusiastic about his chances of survival in a musical and in any case already committed to an Edinburgh Festival and London run of T. S. Eliot's *The Cocktail Party*.

The Holtzmann office also made vague overtures to Noel Coward, who was at the time most like to have played opposite; but he was not about to commit himself to a long run in somebody else's musical (he was also to turn down *My Fair Lady* in later years) and meanwhile Richard Rodgers was suggesting Alfred Drake, his *Oklahoma!* hero, who had just had another big success in *Kiss Me Kate*.

Drake, however, was willing to sign for only six months, and by now the production had already grown to the point where a run of years rather than months had to be economically envisaged. Aldrich himself had refused to take on the role of producer, sticking to his old belief in not confusing private with professional partnerships, and as a result *The King and I* was to become a Rodgers and Hammerstein presentation. The team they built for it during this autumn of 1950 was one of the greatest and most distinguished that Broadway had ever seen; though the King was still proving tricky to cast, the combination of Gertrude and Rodgers and Hammerstein (and an already tried and tested vehicle which had made money as a book and a film) meant that the

project attracted the very cream of Broadway's production talent.

Thus a young choreographer called Jerome Robbins was handling the dances, Jo Mielziner was doing the settings and lighting, Irene Sharaff was doing the costumes, Robert Russell Bennett the orchestration, and the director was to be none other than Gertrude's old playwright friend from *Behold We Live*, John van Druten, who had recently made a name for himself as a director of his own postwar successes *Ball, Book and Candle* and *I am a Camera*.

Originally, Hammerstein had hoped that Josh Logan, who had worked with him on *South Pacific*, would handle the production of *The King and I* and co-author the book; but when that offer was declined Hammerstein decided he would handle the book himself and the production then became van Druten's.

But still they had no King and they, therefore, began auditioning, since there was no other star actor to whom they could think of offering it. Richard Rodgers: "The first candidate who walked out from the wings was a bald, muscular fellow with a bony oriental face. He was dressed casually, and carried a guitar. His name, we were told, was Yul Brynner, which meant nothing to us. He scowled in our direction, sat down on the stage and crossed his legs tailor-fashion, then plunked one whacking chord on his guitar and began to howl in a strange language that no one could understand. He looked savage, he sounded savage, and there was no denying that he projected a feeling of controlled ferocity. When he read for us, we again were impressed by his authority and conviction. Oscar and I looked at each other and nodded."

Brynner's entire subsequent career can be charted in terms of his rise through the ranks of this musical: when it first opened on Broadway, Gertrude Lawrence was alone above the title and he well below. For the film, a decade later, he was above the title, but sharing the billing there with Deborah Kerr; for the Broadway and London Palladium revival two decades later still, he was alone

above the title, despite the fact that it remains fundamentally Anna's story and show.

But he was, even in 1950, not quite the unknown that Rodgers had taken him for; a former circus acrobat, Brynner had already worked with Mary Martin in a short-lived Broadway musical called *Lute Song* and was a pioneer New York television director then currently hosting his own CBS musical variety show each week, one he was reluctant to quit for the financially less secure offer of a below-the-title Broadway job. But Mary Martin urged Rodgers and Hammerstein to "kidnap him if necessary—you'll never find a better King" and eventually Brynner was persuaded to quit his television career and start rehearsing.

The King and I was budgeted at \$300,000, making it the most expensive Rodgers and Hammerstein musical to date, but there was no shortage of backers: Twentieth Century-Fox, who owned the film, came first for \$40,000 and other investors included Josh Logan and Mary Martin from *South Pacific*, the composers' families, Billy Rose and Leland Hayward.

Gertrude was on 10 per cent of the gross plus 5 per cent of the profits, but neither Brynner nor any of Gertrude's successors in the role in either New York or London did better than a straight salary. By the end of 1953 profits were running at over \$700,000 and that was well before the release of the film or summer-stock rights. One New York lawyer who had originally put in \$37,000 eventually took home another \$44,000, meaning that the show in its first run was to return a profit of something like 117 per cent.

The money wasn't made easily though; rehearsals got off to a bad start when Rodgers, thinking to be helpful, arranged for Gertrude to attend a piano run-through of the entire score sung by Dorena Morrow, who had been cast as Tupti, the King's Burmese wife. Gertrude refused thereafter to speak to him for the first few weeks of rehearsal, perhaps because she had taken offence at Rodgers allowing Miss Morrow to sing her songs, but more probably because it had panicked her into a realization of the demands of the score and the limitations of her own voice which were even greater than ever before. She had never tackled a show of this musical complexity of *The King and I*, which, though rightly regarded as a classic of its kind, did not give her any of the chances for lyrical jokiness which she had always discovered in Coward and Cole Porter and the Gershwins. This was closer to being an operetta, and it frightened the hell out of her.

As a result she was through-out rehearsal edgy and very difficult indeed; she knew she couldn't be, but she was deeply had she been built in to the show's construction, but she also began to think quite seriously that she had here taken on more than she could handle. As her old friend, Van Druten, found himself inexperienced at musicals, and the control therefore reverted quickly to Rodgers and Hammerstein, both of whom had to admit that for all her very considerable acting graces Gertrude was not the kind of tough Mary Martin stage star they had grown accustomed to, but instead a very much more fragile and variable creature, given to moods and tantrums which identified her as a rather ghastly 1930s figure instead of a fully functioning part of the new postwar Broadway machine. She was, in short, trouble.

Her singing voice was shaky and very often flat, but Hammerstein was the first to acknowledge that she had a kind of "magic light" on stage and Rodgers had been careful to write numbers for her in a limited vocal range. "Whistle Happy Tune" "Hello Young Lovers" "Shall We Dance?" while giving his more demanding songs ("Something Wonderful" "We Kiss in a Shadow") to the professionally trained singers, Dorena Morrow and Dorothy Sarnoff.

Even so there were complaints about Gertrude's flat singing all through rehearsals, and by the time they opened the pre-Broadway tour in New Haven on February 27, 1951, they were in considerable trouble. Expectations were high, bookings were high, but the show was running for almost four hours thanks to Jerome Robbins' immensely long (though innovative) ballet for the "Hello Young Lovers" sequence. Moreover Gertrude had missed the dress rehearsal on account of laryngitis, and had already been replaced at that performance (as at so many others she was later to be) by her old friend and understudy from the *Charlot* revues Constance Carpenter, who thus became perhaps the first understudy in history to go on for a star even before the show had actually opened.

Still, they seemed to have a winner, though the *Variety* critic thought this was "not nearly such a sure thing as the earlier Rodgers-Hammerstein creations" despite the fact that Yul Brynner's performance was "stand-out chapeau" and that "Miss Lawrence, despite a recent illness that kept her away from rehearsals, sings, acts, cavorts and in general exhibits exceedingly well her several facets for entertaining". The *Philadelphia Bulletin*, however, thought that "Miss Lawrence's already thin voice is now starting to wear a great deal thinner" and this in the very first try-out week; moreover her loss of voice in the final rehearsals had already started to cause a split in the relationship between Gertrude and Fanny on one side of the fence and Rodgers and Hammerstein on the other; Gertrude wanted to delay the New Haven opening until she was feeling totally back on form. The producers wouldn't hear of it; despite her immense value to the show, the days were long gone when a single star could hold up an entire production simply by getting ill.

The health of Gertrude Lawrence was to be a constant source of worry and acrimony throughout the run of *The King and I*; but neither she, nor her husband, nor anyone involved with the show was to know that she was already dying of cancer, and her frequent indisposition was thus to have two highly contrasting interpretations. Those who viewed her took the view that for a woman of 52 to have to carry, as Anna does carry, an entire 31-hour musical during the course of which she walked four miles around the stage at every performance and wore a total of seven massively heavy costumes each weighing 75lb and complete with steel hoops which bruised her legs every time she tried to curtsy to the King, was simply asking too much of an actress brought up in a gender prewar tradition of British leading ladies.

Those who did not love her, and there were a great many of them, took the not totally irreconcilable view that she was simply past it and masking her inability to sing, and her jealousy of Brynner's success by a series of psychosomatic collapses.

In fact, Brynner's triumph was no problem at all; she had lived through all that with Danny Kaye and *Lady in the Dark* a decade before, and was genuinely delighted to have helped make them into stars just so long as they never lost sight of the fact that she had got there first. He was not a worry and nor were the collapses psychosomatic; she was beginning to be very sick indeed, though still blissfully unaware of the cause of her physical and vocal exhaustion. *The King and I*, after all, provided a perfect alibi; it was an extremely exhausting show.

It was also, on the pre-Broadway tour, a show in a constant state of change; from New Haven she had progressed to Boston where reviews were quite alarmingly unenthusiastic at first, and it was Gertrude who came up with one at least of the show-saving solutions. Between bouts of laryngitis and ill health, she still ploughed by, and another song up her front for her, Gertrude retained enough of her old-style star's instinct to realize that one of the show's first-half problems was that after "I Whistle A Happy Tune" sung as the top doctress, she then didn't have another song for a very long time.

She was after all still alone above the title, and audiences didn't expect to wait that long to realize why; what she needed was another song up her front. Rodgers agreed, and in New Haven suddenly recalled a song he'd written for the young Naval lieutenant to sing to Liat in *South Pacific*. In the event, he'd then written them "Younger Than Springtime" and abandoned this earlier effort which was still therefore unheard. It was called "Getting To Know You", and he gave it to Gertrude to sing to her Siamese children when she is first seen with them.

By the time they had got to Boston they had also put in the complete "Shall We Dance?" sequence which was to become the show's most lingering and evocative memory, and by the time they left there for Broadway, Elliott Norton was able to report, "The King and I left here with three new songs already inserted, understood Bing Crosby and other ready recording artists. Sinatra." Indeed they were; by now the show had excellent word-of-mouth reports going for it, plus a final number which as Irene Sharaff, the costume designer, noted with justification, "starred Gertrude Lawrence, Yul Brynner and a pale pink satin ball-gown."

Even the 15 Siamese children had stopped trying to flesh their hats down the toilets and all was set fair for a massive Broadway success, which was exactly what they got: "an original and beautiful excursion into the rich splendours of the Far East." thought Brooks Atkinson while Richard Watts reckoned he had seen "a show of a thousand delights with the magic of Gertrude Lawrence and a remarkably believable performance by Yul Brynner."

True there were those who argued that *Call Me Madam* and a revival of *Pal Joey*, the other main musicals of that 1951 season, were dramatically more exciting, but when it came to Tony award time *The King and I* swept the board. Gertrude, Yul Brynner, Rodgers, Hammerstein, Jo Mielziner and Irene Sharaff all won in their respective categories.

This article has been adapted from Gertrude Lawrence by Sheridan Morley, which will be published by Weidenfeld and Nicolson on February 5 at \$9.95.

Travel

Peeping at the fall



Photograph by Brian Harris

London SE1. A number of travel agents throughout the country have been designated US Travel Planning Centres; if there is one close to you a visit will be worth while.

America epitomizes the benefits of a non-packaged holiday. Hotel and motel chains have booking offices in Britain and often offer voucher schemes. Car hire is easy and inexpen-

likely to give you a wider choice. Companies such as Thomas Cook and Americana Holidays do offer organized trips, and Exchange Travel with its Tourdrive America programme has boldly tried to combine the concept of package holidays with the options available to the independent traveller. At the time of writing the exchange rate is \$2.42 to £1, which makes the United States very attractive financially. You will still need a visa, though I am sure the concept of the visitor's permit is to urge the Reagan administration to do away with his requirement as soon as possible. The need to take out adequate medical insurance cannot be too strongly stressed. Electric voltage is 110-115 AC, plugs taking two five pin pins. Many like my conversion kit with some American electrical gadget and would like to bring it home. Brands Export at 127 Smith Place, Cambridge, Massachusetts, deals in White-Vestinushouse appliances and


and documentation. The applications are, of course, accepted for United Kingdom voltage.

John Carter

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Six personal views on the prospects of a party facing profound changes

How I see the crisis in the Labour Party



Shirley Williams

A time to fight

Up to the very last minute before today's special conference, efforts will be made to get a clear majority for 50 per cent of the vote in a leadership electoral college going to the Parliamentary Party and, alternatively, for equal one-third shares for the Parliamentary Party, the constituency parties and the trade unions. Yet the outcome of this particular struggle is beside the point. We in the gang of three have failed to get across to the party why we object to the electoral college. Our objection is based not on how the electoral college votes are shared out but in the method of voting. Mandated delegates voting at conference and union block votes cast without a ballot of members cannot be described as democratic. If a wider franchise was wanted then, as Fred Emery pointed out in *The Times* yesterday, ways of extending it democratically by secret ballot and the registration of Labour supporters in the unions, given enough time, could have been worked out.

Indeed, such a reform would have revitalized the party and the movement. But democracy was never intended. What is intended is activist control over the party and now increasingly over the Parliamentary Party.

The constitutional arguments in the Labour Party must seem confusing, making it a party that controls elected representatives at every level, from Prime Minister to councillor, so that these representatives become accountable first and foremost to the party hierarchy and only secondly to the electorate. It is hard to see how that can be compatible with parliamentary democracy; it would weaken Parliament and any future Labour government at a time of great economic difficulty and of international peril.

The process began years ago with a little noticed change in 1972. Mr Ian Mikardo persuaded the National Executive to abandon its right to examine all the circumstances of any proposal by a constituency general management committee to reselect its MP. Henceforth, the national executive decided, only procedural questions could be investigated. As long as the procedure had been properly carried out, the NEC could not

object. This opened the door to reselection of an MP, not on the grounds of corruption or incompetence, but on where he stood in the party.

Few of us saw the significance of this change. We should have, for a vigorous campaign for mandatory reselection duly followed. The party was deeply divided on the issue. Finally, the so-called Mikardo compromise was agreed: reselection only if a general management committee voted by a majority to set it in motion. The moderates reluctantly went along; they had not learnt then that there were to be no lasting compromises. A year later, the compromise formula passed at the 1978 conference by 5.18 million votes to 1.19 million was overthrown.

The pebble started an avalanche. Since then, campaigns to reform Clause V on the manifesto, to change the method of electing the party leader and for district Labour parties to control Labour council groups have all followed. Moves to expel right-wingers like the Social Democratic Alliance have not been Emery-minded nor in *The Times* yesterday, ways of extending it democratically by secret ballot and the registration of Labour supporters in the unions, given enough time, could have been worked out.

The National Executive hesitates even to apply its own constitution. Clause 2 makes membership of political organizations "having their own programme, principles and policy for distinctive and separate propaganda" incompatible with membership of the Labour Party. Unquestionably the Militant Tendency is such an organization, but this the National Executive will not even discuss.

The party's structure did need reforming. The heavy-handed domination of the big right-wing unions over the NEC in the 1950s was stifling and unrepresentative. But the constitution was not systematically changed deliberately to disadvantage one side of the party.

Sadly none of the so-called reforms was intended to make the party genuinely more democratic. At every stage of this weary process those fighting back have been too few. At every stage the majority in the Parliamentary Party and many union leaders have sought to compromise, just as I did in the beginning over reselection. The compromises do not stick; they are part of the salami tactics of curbing back the moderates. Today there is no room left for compromise. The party is on the brink of changing its character entirely, of ceasing to be committed to socialism by parliamentary democracy. Many still believe the cracks can be patched over with yet another deal. I believe they are mistaken.

The author was Labour MP for Hertford and Stevenage until May, 1979, General Election.

The one-day Labour special rules revision conference at the Wembley Conference Centre today will discuss changes in the way in which the party elects its Leader and, it follows, the Prime Minister when the Labour Party is in office. Decisions

Arthur Scargill

The only fair way

There will be increasing speculation about the future of the Labour Party after today's special conference on extending the franchise for electing the party leader. The real fight at the conference, however, is for the political soul of the Labour Party to determine whether it will be a real socialist party and implement the policies determined by the annual conference.

Right-wing Labour MPs have said there is a crumbling of unity within the party because of the wide-ranging reforms already introduced. It has even been suggested that the general management committees, as being unrepresentative of the party at large, are apparently forgetting or ignoring the fact that they themselves were selected by the same committees.

There was no such suggestion in the Fifties and Sixties when the party, then dominated by the right expelled left-wing members for disagreeing with policy and withdrawing from a number of MPs, including the present leader, Mr Michael Foot.

There are certain sections of the Parliamentary Labour Party who are now having to accept decisions provided they agree with them but consider themselves a race apart if policies emerge from within the movement with which they disagree. The right wing of the PLP have attempted to stop every



democratic reform introduced, including mandatory reselection of MPs and the establishment of an electoral college. They have the audacity to criticize constituency general management committees as being unrepresentative of the party at large, apparently forgetting or ignoring the fact that they themselves were selected by the same committees.

The only people out of step with the party's basic aims and principles are right-wing leaders such as Mr William Rodgers, Dr David Owen and Mrs Shirley Williams and those in the party and trade union movement who support their points of view. It appears certain that the

taken today could have a profound effect on the future of the Labour Party and its prospects for regaining power. Here, six leading members of the party with widely diverging views of the crisis it faces at present set out the changes, if any, which they believe should be decided upon.

special conference will adopt an electoral college either the principle proposed by the NEC or the amendment submitted by the General and Municipal Workers' Union. Nothing could be fairer than to give the trade union movement (who gave birth to the Labour Party) the constituency parties (who keep this party together) and the Parliamentary Labour Party an equal number of votes, although in the final analysis an electoral college which gives 50 per cent of the votes to the PLP will be acceptable to the left because it will extend the franchise substantially.

More important, it will give the opportunity to both the constituency parties and to the trade union movement to put forward further constitutional amendments and enable the fight to continue until the NEC proposal eventually becomes accepted.

If either of these two amendments is adopted it will represent a significant victory for the left and, alongside the introduction of mandatory reselection, will mark a watershed for the party. No one should underestimate the impact of mandatory reselection. This system can and must be used to rid our party of those elements which have concealed socialist aims and blatantly ignored or disregarded the views expressed by constituency general management committees.

A number of MPs have already said that if they are now re-elected under the new procedure they will stand together and eventually stand against the official Labour candidate in the next election. This implies a form of back-mail, and people who support this view are not fit to be

members of the Labour Party. In view of these statements I feel it essential that every constituency party should ask its MP his or her intention on this most important issue.

Rank and file members of the party are tired of the claims displayed by right-wing MPs and for some inevitable reason feel themselves superior to ordinary party members.

These same MPs were content to be selected at an initial conference of the constituency party but are almost pathetic about facing a reselection conference and having to answer for their stewardship during their period of office.

Any person who wants to act independently should stand as an independent candidate and not use the Labour Party merely as a vehicle for promoting him into Parliament. The suggestion that the election of the party leader should be left in the hands of MPs is both ludicrous and contemptible. It was this band of right-wing party MPs who were responsible only a short while ago for electing Mr Prentice to the Shadow Cabinet after he had already served as a Labour minister. Within months he had left the party, is now a Tory MP and an ardent supporter of Mrs Thatcher and her policies.

If this is an indication of the judgement of Labour MPs, then the quicker we extend our democratic reforms to include the election of the Shadow Cabinet and Cabinet by an electoral college or the annual conference the better for democracy and the party generally.

The author is President of the Yorkshire Area of the National Union of Mine Workers.



Mike Thomas

The fatal college

"It's illogical but it works" is a fair description of much of Britain's political system. Of nothing is it a truer description than of the Labour Party's constitution. Conceived in a series of debates between 1898 and 1905 and finally brought to birth in 1918, Labour's structure was carefully balanced by the founding fathers to marry the federal and monthlies (unity is strength) traditions of the trade unions with the realities of parliamentary democracy.

Who could defend in principle a party conference deciding policy in which 90 per cent of the votes are purchased in huge blocks by the trade unions; constituency parties in which, similarly, trade unions buy places for as many delegates to the decision-making general management committees as they choose; and a National Executive Committee which contains no grass roots party activists, no representatives of Labour in local government and no representatives of the Parliamentary Party as such?

What makes Labour's illogical constitution work is that a clear buffer is placed between the exigencies of a structure, originally designed to bring together the trades union and socialist societies for political action (individual membership came much later), and the Parliamentary Party and individual Labour MPs.

The buffer had three main components: on policy, Clause V of the party constitution provides that policies passed by the conference do not become part of Labour's manifesto unless jointly agreed between the Parliamentary Party, representatives and the National Executive Committee.

Individual MPs were protected by the understanding that they could not and should not be under instruction from their constituency parties or under threat of losing their nomination simply because their views did not coincide with those of their general management committee.

Collectively the PLP's independence was clearly accepted; and its right to act without instruction from the conference and to elect its own leaders was unchallenged.

The party is now in the process of unbalancing that constitution so as to make it unworkable; indeed actively to damage the party's electability and capacity to govern.

Clause V survives, but is under continued threat. We already have the NEC's draft manifesto, written without even

consultation with the Parliamentary Party.

Reselection and a mood of intolerance in many constituency parties threatens the independence of individual Labour MPs and their right and duty to judge the best interests of their constituents (and of the country as a whole) without intimidation.

Collectively the PLP's rights to determine its own affairs and to elect its leader—and Britain's alternative prime minister—are to be undermined by the proposed electoral college.

Labour's founders—the trade union and socialist giants of their day—devised our constitution precisely to avoid these pitfalls. They knew that a parliamentary government in Britain should not become the subject of party dictate or the prisoner of one vested interest, the trade unions. That is why they did not simply make the party a department of the Trades Union Congress, why they built in the checks and balances, carefully preserved the rights of the PLP and of Labour MPs.

In the 1980s there is no doubt that our constitution is in need of revision. It is a scandal that the individual members of the party have so little say in how it is run. Moves to "one member, one vote" in a postal ballot for the election of our leader, in the selection of Labour candidates and in the running of constituency parties would be legitimate and democratic changes to make.

But who can honestly regard as legitimate and democratic proposals that will take effective decision-making from elected Members of Parliament and place it in the hands of a narrow band of trade union and constituency activists, who may or may not act in accordance with the wishes of the members (many of whom in the case of the unions are not Labour supporters anyway)?

It is this that makes an electoral college unacceptable and no amount of tinkering with percentages can get away from it. The central question that proponents of the electoral college fail to answer is: "Why should the British people believe that a Labour prime minister constantly looking over his shoulder at the union block vote will be able to run the country in the interests of every citizen, weighing all claims equally, giving special privilege to none?"

This special conference could irrevocably change the nature of the Labour Party. No other socialist party in the world would contemplate an electoral college of the kind proposed. It is a recipe for the demise of Labour as a national party and we should not suppose the electorate will be unaware of that.

The author is Labour MP for Newcastle Upon Tyne, East.

Lord Longford

Why I must stay

I joined the Labour Party in 1936 after laboriously extracting myself from the Conservative Research Department, a few years earlier. After the war I served for six years in the Attlee administration, rising from Lord-in-Waiting to First Lord of the Admiralty. I was a member for three years of Sir Harold Wilson's Cabinet, resigning on an educational issue. By that time I had spoken for the Labour Party for 22 continuous years, from one front bench or the other, after a 13-year interval I would up for the party in a debate on disarmament last week.

Now we are told that there is a crisis in the party. I cannot deny it. Not since 1931 have we had a situation where four much respected ex-Cabinet ministers and a number of MPs seem likely to leave the party and start a new one. I was pressed the other night for instance by two old friends and their children to say whether it is honourable for me to stay in a party trend towards a new constitution a threat to democracy.

Put in that way I find no difficulty in disposing of the question. The special conference today is concerned on the face of it with the simple issue



of how the leader should be chosen. I cannot feel that some basic principle of democracy is violated if the leader is not chosen by the Parliamentary Party alone, though I would much prefer that the present arrangement should continue.

Other socialist parties have other methods of choosing their leader. It is not unknown to have more leaders than one. Until quite recently the Conservative Party allowed their leader to emerge in a very mysterious fashion, as Lord Butler has the best of reasons for knowing.

I shall be told, however, that the use of the block vote in this connection is indefensible. In a sense I agree. But the whole idea of the block vote is non-democratic. The Labour

constitution, as we all know, is a bit of a monstrosity, an historical accident. Yet we so-called moderates (Alec Douglas-Home put it up with it happily while the trades union majority agreed with us. Now their attitude has become quite unpredictable. It is a bit late in the day to start belly-aching, though if anybody has been having second thoughts about the Labour Party to adopt a completely new constitution he will render an enormous service.

We are told about sinister influences ("Commies", "Trotsky" and such like) burrowing away in the constituency parties. Certainly there were some unpleasant demonstrations at the recent party conference. I am in danger of complacency here. When I was elected to the Oxford City Council for the Copley and Ifley Ward in the late 1930s, my colleague on the ticket was a communist organizer, who was narrowly defeated. "Cryoprene" were not unknown in our party, but complacency or, alternatively, impotent rage are no substitute for dealing firmly with anti-democratic forces. I must hope and pray that democratic socialism will resist these forces more actively than in the past.

At the moment the party is becoming anti-BEC and I have always been pro-European. But this is a relatively new issue, not connected with the fundamental issues of socialism. What to my mind has been the menacing possibility that a Labour Party in office would take us out of the western defence system and turn us into a neutralist state.

That, if it ever came about, and I cannot somehow believe it will, would be a real betrayal of this country and of freedom everywhere. I will always fight it tooth and nail, with any teeth and nails left to me. Whether such a fight should be carried on inside or outside the party is for each one of us to decide in conscience.

When I joined the party I said that I had become a socialist under the influence of the Gospels. There have been many failures since, but also many fine achievements. The teachings of the Gospels has not altered, nor in my eyes their application.

The Labour Party with all its faults stands, as it has always stood, for an ideal, for the belief that all men and women are of equal significance in the sight of God and should be treated accordingly in human arrangements. Or to make use of a Christian text: "When thou givest a feast, thou shalt call the poor, the maimed, the lame and the blind, and thou shalt be blessed." Black, white, yellow and brown, all are included.

No one questions the motives, or for that matter the Christianity of those who adhere to other parties. Nor do other party proclaimers as lofty as aspiration as does the Labour Party. As long as I can continue to work within the party, for the causes and ideals I believe in, I cannot see myself leaving it.

The author was Leader of the House of Lords and Lord Privy Seal from 1964-68.

For most of my life, membership of the Labour Party has seemed not merely right but natural—almost inevitable. If anyone had told me five years ago that I was now being asked for a split in the Labour Party and the creation of a new social democratic party, I would have thought him insane as well as insulting.

Yet so it is. It is so for reasons which go much deeper than the issues to be discussed at today's conference. Unquestionably, they are important issues. The changes which have been made in the Labour Party constitution are deliberately designed to strengthen the corporatist, centralist, unrepresentative and anti-democratic elements in the Labour movement at the expense of the representative, decentralist and parliamentary elements.

The trade union bureaucracies will gain power while the parliamentary party will lose it. It will be harder for individual Labour MPs to represent their constituents, and easier for their party activists to turn them into delegates. The voice



of millions of Labour voters who elect the Parliamentary party will be weakened. The voice of the tiny handful of apparatchiki who control the conference will become even louder than it is already.

All this will do enormous damage to a parliamentary system, which is already dangerously enfeebled. Since the war British politics have become steadily more corporatist and less parliamentary, more plebiscitary and less participatory. The last thing we should be doing is to strengthen these trends. They have been strengthened already by the constitutional changes carried at the last Labour Party conference. They will be strengthened far more if today's conference decides that future party leaders shall be elected in part by trade union block votes.

But even if, thanks to some last-minute conversion on the road to Damascus, the confer-

been a gulf between the Labour left and the Labour right. But in the past the gulf could be bridged. Now it cannot. The socialists on the left accept the fundamental Marxist proposition that social justice is impossible when the means of production are privately owned. The social democrats on the right are committed to a mixed economy in which a significant and profitable private sector exists side by side with the public sector.

Once this difference was theoretical—almost, as Harold Wilson used to say, "theological" rather than practical. Now it is practical as well. The private sector is so weak that the old slogan of "Socialism in our Time" is no longer a fantasy.

A socialist government could perfectly well break the private sector's back and create a command economy on the East European model; a consistent socialist government would do just that. A social democratic government, on the other hand, would try to succour and even strengthen the private sector. No government could do both at the same time. A government composed of adherents of both points of view would end, as the Callaghan government did, by doing nothing.

So it is not enough for the social democrats to stop the left from winning. Social democracy has to win itself. The choice for Labour's social democrats lies between a break-out and extinction. They have a nation to save. They have only endless humiliation to lose.

The author is Professor of Contemporary History and Politics at Salford University. He was Labour MP for Ashfield from 1966-77 and PPS to the Minister of Overseas Development from 1967-69.

Tony Saunois

Back to socialism

British capitalism has entered an "irreversible" decline according to a recent writer in *The Times*. In 1929-31 manufacturing industry dropped by 11 per cent; in 1980-81 it is expected to collapse by 14 per cent.

The bankruptcy of British capitalism is shown by the colossal rise in unemployment: 2.5 million or even 3 million workers will soon be on the dole.

It is the collapse of the economy and the Conservative Government's ruthless anti-working class policies—some "red plot"—which explains the radicalization of the Labour Party, reflected in its decisions on democracy.

In the past 17 years we have had 11 years of right-wing Labour governments working within the system. Yet working people are immeasurably worse off. The right wing is responsible for the disillusionment with recent Labour governments. But it seeks to use this disillusionment to launch a new party on the very policies which led to Labour's defeat.

The right wing has lost the argument on policy and programme and is now threatening to stab the Labour movement in the back. These "democrats" are not prepared to accept majority decisions. A reported £15,000,000 "gift" from big business has been used to tempt them to form a new party.

They wanted the Labour Party to be a fan club for parliamentarians. They demand that "all party members"



should vote on the leadership and selection of MPs. They wish to dissolve the Labour Party into "the Labour voters". This proposal would take policy-making and control over Labour's parliamentary representatives away from those who do the work and build the party.

The active Labour Party members are the ones who can determine the outcome of elections by mobilizing the inactive workers.

The right wing is attempting to rewrite history, too. It claims the left is responsible for Labour's alleged "decline". But who controlled the movement for the past 30 years?

The biggest decline in membership took place between 1954 and 1970, when 149,000 left the party. More than 10,000 have joined since the recent leftward turn. The smallest "caucuses" are precisely those dominated by the right wing. Mr William

Rodgers had just 176 members in his constituency in 1977.

We are in favour of the largest element of the electoral college going to the trade unions—40 per cent. However, the proposal by the National Executive Committee that the unions, Constituency parties and the PLP should have equal one third representation would be a tremendous step forward.

The right wing has often threatened to break away, but like St Augustine—"God keep me chaste, but not just yet"—it fears the consequences.

The vicious class-war policies of the Conservative Government have resulted in an enormous class polarization in Britain. Former Conservative voters are threatening in their millions to swing over to support a left Labour Party.

The capitalists hope to avoid this by creating a "safety-net" in the form of a "social democratic" party, masquerading as the "real" Labour Party.

The fate of similar right-wing splits from the Labour parties of Holland, Australia and Japan, however, is not encouraging.

Initially they met with some success. But the class polarization in Australia, for instance, has brought the almost complete collapse of the right-wing Democratic Labour Party. The same fate awaits any "social democratic" party launched by the Labour Party.

This special Labour Party conference could mean the re-birth of a socialist Labour Party. The decisions on democracy are a step towards the adoption of a socialist programme.

Capitalism—the moderates' "mixed economy"—has failed. Under the stewardship of big business, British society has been brought to its knees. No lasting progress is possible within the confines of this system.

We shall therefore be demanding that a future Labour government introduce a socialist plan of production. This would involve the taking over of the 200 monopolies which control 80.85 per cent of the British economy with minimum compensation on the basis of proven need. The plan would be run under workers' control and management.

Only a democratic socialist plan of production could ensure the full utilization of the economy, the restoration of services that have suffered from public spending cuts, increased expenditure on housing, health and education and an end to mass unemployment, poverty and want.

Such a programme would capture the imagination and support of working people. It would ensure a massive Labour majority in a general election. The author is the Labour Party Young Socialist representative at the Labour Party NEC.

David Marquand

Hoping for a split

I joined the Labour Party 26 years ago when I was 20. My father was a Minister in the post-war Labour government. My grandfather served for a while as a Labour county councillor. My great-grandfather joined the Independent Labour Party before there was a Labour Party to belong to, and founded the first Labour newspaper in West

For most of my life, membership of the Labour Party has seemed not merely right but natural—almost inevitable. If anyone had told me five years ago that I was now being asked for a split in the Labour Party and the creation of a new social democratic party, I would have thought him insane as well as insulting.

Yet so it is. It is so for reasons which go much deeper than the issues to be discussed at today's conference. Unquestionably, they are important issues. The changes which have been made in the Labour Party constitution are deliberately designed to strengthen the corporatist, centralist, unrepresentative and anti-democratic elements in the Labour movement at the expense of the representative, decentralist and parliamentary elements.

The trade union bureaucracies will gain power while the parliamentary party will lose it. It will be harder for individual Labour MPs to represent their constituents, and easier for their party activists to turn them into delegates. The voice



of millions of Labour voters who elect the Parliamentary party will be weakened. The voice of the tiny handful of apparatchiki who control the conference will become even louder than it is already.

All this will do enormous damage to a parliamentary system, which is already dangerously enfeebled. Since the war British politics have become steadily more corporatist and less parliamentary, more plebiscitary and less participatory. The last thing we should be doing is to strengthen these trends. They have been strengthened already by the constitutional changes carried at the last Labour Party conference. They will be strengthened far more if today's conference decides that future party leaders shall be elected in part by trade union block votes.

But even if, thanks to some last-minute conversion on the road to Damascus, the confer-

been a gulf between the Labour left and the Labour right. But in the past the gulf could be bridged. Now it cannot. The socialists on the left accept the fundamental Marxist proposition that social justice is impossible when the means of production are privately owned. The social democrats on the right are committed to a mixed economy in which a significant and profitable private sector exists side by side with the public sector.

Once this difference was theoretical—almost, as Harold Wilson used to say, "theological" rather than practical. Now it is practical as well. The private sector is so weak that the old slogan of "Socialism in our Time" is no longer a fantasy.

A socialist government could perfectly well break the private sector's back and create a command economy on the East European model; a consistent socialist government would do just that. A social democratic government, on the other hand, would try to succour and even strengthen the private sector. No government could do both at the same time. A government composed of adherents of both points of view would end, as the Callaghan government did, by doing nothing.

So it is not enough for the social democrats to stop the left from winning. Social democracy has to win itself. The choice for Labour's social democrats lies between a break-out and extinction. They have a nation to save. They have only endless humiliation to lose.

The author is Professor of Contemporary History and Politics at Salford University. He was Labour MP for Ashfield from 1966-77 and PPS to the Minister of Overseas Development from 1967-69.

PERSONAL INVESTMENT AND FINANCE

Insurance

When the doorbell rings: my code for would-be buyers

Some years ago there came a knock on our front door and there stood a life insurance salesman from one of the newer linked-life companies keen to tell us of his wares.

It was just the opportunity I had been waiting for: here was my chance, at last, to discover just how insurance salesmen, calling cold at a house, prepared their pitch and possibly clinched the deal.

Unfortunately, I never did get a chance to find out. My husband is basically a kind-hearted man. When the telephone rang in the other room, he took the opportunity to whisper to the young salesman to be careful, because his wife not only knew about his business and his company, but also wrote about it for her living.

I am reminded of the incident by this week's publication—at least—the insurance industry's codes of conduct for those selling general and life insurance.

But I would like to suggest a code of conduct or practice for the self-interested would-be purchaser of insurance.

With these two codes the prospective policy-holder should be as well protected from the industry's fortune seekers and gold diggers as anyone could wish to be.

The code of conduct for life insurance intermediaries—all kinds of salesmen, whether they are directly employed or independent—such as solicitors or accountants—is in four parts. They are:

1. General sales principles, which cover the timing of unsolicited calls, to be at a time likely to be suitable to the prospective policy-holder; 2. Identification of the salesperson, including such relevant information as to whether he is a full-time or part-time salesperson, and whether he is a full-time or part-time salesperson; 3. Confidentiality; and 4. Competence.

This heading also includes an agreement not to pass on a

prospective policy-holder's name without consent; not making inaccurate or unfair criticism of rivals; and not persuading policy-holders to cancel existing contracts.

● Explanation of the contract, which involves making sure that the policy-holder "understands who he is committing himself to," pointing out restrictions, notably the effects of early discontinuance and surrender; and the variable nature of life insurance income tax relief.

● Disclosure of underwriting information, provision of intermediaries influencing the proposer's answers and to ensure that they tell prospective clients the penalties for not answering correctly.

● Financial aspects and signature, a provision designed to keep a proper record of all financial transactions and "forward without delay" any money received for life insurance.

Perhaps the most important feature of the whole code, which in practice goes no further than the standards already employed by life offices and their selling agents, is that the responsibility for enforcement lies fairly and squarely with the insurance companies. It is a condition of membership of the Life Offices Association that members should "enforce the code".

So you know what to do when next someone with a clipboard stops to ask you a lot of questions about savings before slipping in, almost as an afterthought, that fact that they are interested in selling you life insurance; or when some keen salesman or broker works hard to persuade you to discontinue an existing policy.

Write to the insurance company concerned, and send a copy to the Life Offices Association, Aldermley House, Queen Street, London, EC4.

But, worthwhile as the code of conduct is, I do not believe

that it gives the householder all the guidance he should have, when someone comes out of the blue to try to sell him or her a policy. Here is a code of conduct, then, for prospective policy-holders, framed as a series of questions to ask when the salesperson finally pauses for air.

● What is his name, telephone number and the organization he is representing?

● Ask about the company—in particular, its size (remember sums "assured" always sound much better than premium income, but it is the latter which matters more), and ranking in the United Kingdom.

● Is it a member of the Life Offices Association?

● Can he recommend any other kind of policy which might suit your needs? The industry will not like this one. But a salesperson programmed to sell only one kind of policy might miss your crucial needs.

● Push hard to find out what the insurance costs, the options—when they occur—and in particular the company's attitude to surrender values. Salesmen turn uncharacteristically quieter at this point.

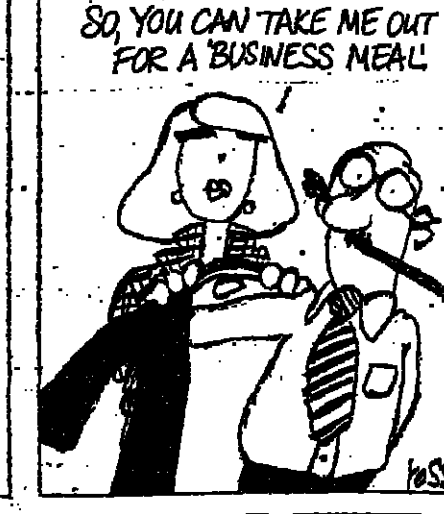
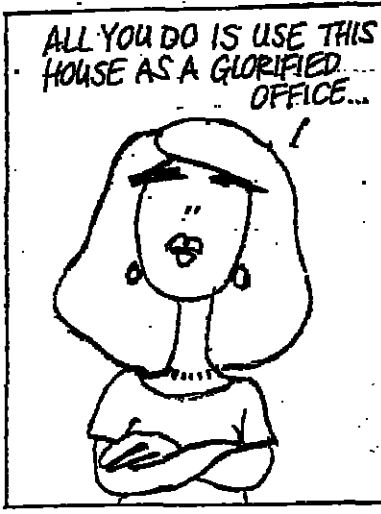
● Look at the growth projections and reject assumptions based on one growth rate only, say 15 per cent. You need a less optimistic one to balance it.

● Ask about the company's rivals. It is not an open invitation to get the salesman to get himself into trouble by knocking the competition, but it will furnish you with the names of a few other companies which you can approach and from which you can get a free quotation.

If you are interested in what is being offered, you owe it to yourself to find out more about the other opportunities in the market. Keep the salesman waiting. He needs you just as much as you need him, if not more.

Margaret Stone

HOFF of HEYBRIDGE HEATH



Unit trusts

Fresh lease of life at Schroder

Schroder Unit Trust Managers will be launching a new unit trust, the Schroder European Fund, in the next week or two—its first major assault on the savings market since the group's original entry into the market in 1968.

Schroder's revitalization into a unit trust group of both substance and ambition springs from several events of 1980. The recent liberalization of the unit trust industry—in respect of charges, fund possibilities and capital gains—and the departure of Mr Ian Sampson from the Target group, now part of the RIT stable, are among them.

Mr Ian Sampson, managing director of Schroder Unit Trust Managers,

makes sense for Mr Sampson to say, "we want the new funds to reflect the strengths of Schroder's world-wide."

The timing and launch of new unit funds carries more than a hint of risk. What was a good idea several months ago, can, by the time the legal department and the Department of Trade officials have finished, be rather a marketing "has-been".

But Schroder group has been lucky with an end of January start for the American and Japanese funds and mid-February for the Gilt trust. All three should catch their markets on the right, that is the upwards, side.

Investment management will be carried out from the merchant bank and Mr Gordon Popham, the chairman of the unit trust group, is investment director at the merchant bank.

But otherwise, the revitalized group will have a considerable degree of autonomy.

This latter-day revival of the Schroder unit group is not without its advantages. For a start, the average holding in its existing funds is around £5,000. This gives the new managers plenty of leeway, in terms of administrative expenses, when it comes to buying in more funds.

Another advantage is that the relationship between Schroder Unit Trust Managers and its linked-life sister group Schroder Life, should be better than in the past. For example, the life company salesmen are being encouraged to sell units too.

MS

The wrong side of fifty?

Have you been incapacitated for more than two weeks during the preceding five years?

If you can truthfully say "No" to all those questions, the cover can be yours, without more ado. But now I have a question for myself.

Is it something you really need? Or would you be buying it mainly because it appears to be a special offer, and there is no fuss or bother?

There are some points to ponder. Be wary of a scheme where, should you die within, say, a couple of years, only a modest benefit will be paid. There is no reason why you should run the risk with the insurance company. There are, after all, schemes where the full cover comes into force immediately.

These types of policy are normally non-profit whole life assurance, and are the most profitable types of policy for a life office. You pay a fixed premium and, at your death, a benefit, which is fixed at the outset, will be paid out.

Since this is a non-profit basis, even if the life office has a highly successful run with its investments, you will not share in those profits.

Finally, there is the small matter of the premium you pay. Under this type of special scheme, you are saved the bother and inconvenience of a long questionnaire and a possible medical examination which could result in your being unacceptable at normal rates of

premium. You have to pay for that convenience.

In other words, the premiums are not lower than those which you would be charged if you completed the questionnaire, underwent a medical examination (if necessary), and came through with flying colours.

On the other hand, with such limited information being provided, some people are bound to get the cover when, under normal procedures, they might have had to pay increased premiums.

If you are over the age of 50, and genuinely want life cover, it could be better to consult a good insurance broker. You will be able to tailor a policy to meet your particular needs.

It could work out cheaper than the offer through the post, or advertised in the press. But it will mean that you will have to be much more forthcoming as far as medical evidence is concerned. It is up to you to take the choice.

Incidentally, if you do decide to go in for a special offer, because of the ease and lack of formality, but find that you are not eligible because of one or more of the answers which you give, don't feel that you are uninsurable. If you really want the cover, a broker may well be able to fix you up, at a price—unless you have just had, for example, a heart transplant.

John Drummond

Taxation

Pick the right home as your 'main residence'

When you sell your main home, you may make out on it a normally free of capital gains tax. This very valuable exemption is one of the principal reasons why your home is likely to be one of the best investments you can buy. However, there can be a number of complications if you own more than one property, not the least of which is—what is your main residence for tax purposes?

A main residence must be a "dwelling house". Flats and maisonettes would, of course, be included as would a large caravan, so long as the wheels have been jacked up and it is supplied with services such as electricity, gas, and water, on which the building stands—normally up to one acre—is also included in the exemption.

However, the Revenue may take the view that a larger plot is appropriate for a particular house, depending on its size and character. So, while a suburban semi is unlikely to warrant more than an acre, a country mansion could include a substantial area of parkland.

Problems can arise for people who own more than one home.

By definition, it might be thought that a person could have only one main residence. But curiously enough your main residence for capital gains tax purposes may not be the same as your main residence for the purpose of mortgage interest relief. You are only eligible for capital gains tax exemptions and the mortgage interest relief on one property at a time—but as the rules differ they do not both have to be claimed on the same property.

For mortgage interest relief, the question is purely one of fact—essentially, where do you spend the greater amount of your time?

But for capital gains tax, you can choose which of your homes is to be treated as your main residence—regardless of how long you spend in each one, by writing to the Inspector of Taxes. A man and wife should each sign the election if both own the houses.

You can change the position from time to time and backdate your choice for up to two years before the notice was served. It is worth your while to make the choice. If you do not then the taxman will make the decision for you, which will not necessarily be in your best interests.

This is no academic matter. Suppose you live in the country in a house that you own outright and which is worth £100,000; you decide to spend more time in London and, instead of commuting every day into the City, you decide to buy

a town flat for £50,000 with the help of a mortgage. As you spend most of your time in London (at least five out of seven days—if not more) you should with any luck be able to persuade the Inspector of Taxes that as a matter of fact your main residence is London and therefore the mortgage interest should be allowable.

However, since your country property is more valuable, you may well want the capital gains tax exemption to continue to apply to it. So, within two years of the purchase you should write to the taxman asking to have your country home treated as your main residence for capital gains tax purposes only.

There is a special exemption for people who have accommodation tied to their jobs—such as clergymen, policemen or servicemen (but not part-time company directors or directors of the employing company)—and want to buy a house which they hope to occupy one day. The exemption parallels the rules for mortgage interest relief under the same circumstances.

From July 31, 1978, a property owned by a person who lives in tied accommodation can be exempt from capital gains tax, even if it is rented to someone else. The important ingredient is the owner's intention to live in the property eventually; as his main residence; actual eventual occupation is, of course, firm evidence of the intention, but not actually necessary in order to establish that the property is exempt.

If you live in tied accommodation and buy a house which you rent out and then sell before you occupy it yourself as your main residence, you would not necessarily have to pay capital gains tax on the increase in value, just because you have changed your mind. However, if it happens more than once, suspicions could be raised about whether your intentions are genuine.

The exemption also extends to a home which is owned by a trust and occupied by a beneficiary as his or her main residence. Similarly, a house can be purchased for a dependent relative and, as in the mortgage interest rules, widowed, single or divorced mothers and mothers-in-law automatically count as such.

But before you start buying, renovating and selling a succession of houses for yourself (or for beneficiaries of trusts or dependent relatives) be careful. Your ventures into the housing market may lead the inspector of taxes to ask whether you were really buying and/or improving a house for the purposes of living in it or whether it was in order to make a gain on the disposal. If the purpose was gain, then the capital gains tax exemption is entirely lost—even if you actually use the house as your sole or main residence.

Danby Bloch and Raymond Godfrey

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Investor's week

Market takes the bad news in its stride

Five days of advance, two of retreat, the FT index crawling from 451.9 to 453.7, brokers blaming the Budget on March 10 for lack of business. That was the week that was. It is over—let it go.

Make money by betting against the crowd, cry some; fine, as long as you get your timing right and how can you do that if you cannot detect a trend?

And there is no doubt that the stock market, along with the Chancellor, is going into purdah. Brokers understandably disapprove of this; just like publicans saloon bar television. Television makes customers gape, not drink, and budgets induce clients to talk, not buy or sell.

But it is the men of action, not the men of talk, that we should be watching. The second group evidently discuss the Budget, forgetting that, often as not, they have less influence on markets than chancellors imagine. But the first group, by contrast, may have discovered something. With remarkable rapidity we are becoming steered towards a dividendless and mutilated profits or losses that go with them.

Consider: we had Gestetner, which has had a tough time switching from duplicators to photocopiers. It recently claimed that it was being "crucified by the strength of sterling". A poor year to November 1 was feared accordingly, but the market hailed the fall from £19.3m to £16.2m in pre-tax

MAIN CHANGES OF THE WEEK

Rises				
Year's high	Year's low	Company	Change	Comment
172p	115p	AGB Research	8p to 22p	Int pit 22 pc up
243p	115p	Davis (Godfrey)	12p to 18p	Monopos Comm clears
84p	58p	Gestetner	11p to 77p	Yr's figs a relief
254p	130p	Sun Life	16p to 25p	Brokers circe
207p	132p	Trusthouse F	9p to 197p	Yr's figs better than feared
Falls				
385p	210p	Akroyd & Smith's	25p to 305p	Possible new Govt funding methods
152p	104p	House of Fraser	5p to 121p	Fading bid hopes
402p	19p	Veresk	-4p to 33p	Georgia Pacific bid
402p	282p	ICI	8p to 284p	Dividend cut
264p	166p	Lucas Ind	18p to 158p	Redundancies

profits and the maintained dividend.

The shares jumped with delight, as brokers pointed to the 10 per cent yield and asset value of 230p a share. The point is not whether 10 per cent yields are uncommon or not (they are, in fact, as common as garden weeds), but that investors are sighing with relief at the least excuse.

Benly's big BL motor distributor was even more remarkable. In its year to last September the group slid from profits of £4.3m into losses of £87,000 and the final dividend was more than halved. Relief claimed that it was being "crucified by the strength of sterling". A poor year to November 1 was feared accordingly, but the market hailed the fall from £19.3m to £16.2m in pre-tax

Rank Organisation had a full year drop in profits of 15 per cent to £11.2m, but once again, the market sighed cheerfully, remembering that Rank had to cope with sterling strength and non-recurring losses (the cost of getting out of television set deal film-making). Here again the dividend was maintained.

Finally, the market contemplated the agony of Tate & Lyle's streamlining with equanimity.

The market preferred to dwell on other things. It decided that Tate had paved the way for a strong recovery in profits and noted that the dividend was kept at 1.5p a share.

Peter Wainwright

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مركز الأصل

ACCOUNT DAYS: Dealings Begin, Monday. Dealings End, Feb 6. \S Contango Day, Feb 9. Settlement Day, Feb 16

* Ex dividend, a Ex all, b Forecast dividend c Corrected price, d Issuing payment forecast, f Price at expiration, g Dividend and value exclude a special payment, h Bid for company, i Pre-merger figures, j Forecst earnings, k 92% capital distribution, l Ex rights, m Ex sale of share paid, n Tax free, y Price adjusted for late delings, z No significant data.

RECENT ISSUES	Closing Price
Allied London Prop Bk Co 1989 (a)	\$176
Bell A. 20% Conv 1995-2001	\$544
Chester Water Plt Refl Pref 1986 (a)	\$200
Danamon	\$200
Dunbar Group El Ord 43(3)	\$200
Eaton Water Plt Refl Pref 1985 (a)	\$176
East Worcester Water Bk Refl Pref 1986 (a)	\$176
Essex Water Plt Refl Pref 1986 (b)	\$200
Fischer	\$176
Kranenauer 1996 "b" 1999 (a)	\$176
Laidlaw Ind Sup Ord 1407(2)	\$176
Lin Merchant Secs Pub Civ Ld 2000-05	\$176
New York Inv Trust Sup Ord	\$176
Pennsylvania Ind Sup Ord	\$176
Troy Trls 1988 A (a)	\$257
Treasury LLC 2003-2007 A (a)	\$257

RIGHTS ISSUES	Largest cash amt	Ex dividend, 5 prem-d
Johnson Matthey	Mar 13	

* Issue price paid in parentheses, Ex dividend, y Issued by tender, x All paid, a \$20 paid b \$30 paid, c Putty paid, d \$40 paid, h \$200 paid,
